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25 May 2020

Hear the Lion Roar

Trade unionism at General Motors-Holden's in South Australia, 1930-1980.

David Justin Chadwick
University of Adelaide
25 May 2020

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Contents

Abbreviations and Name Usage

Abbreviations

ACTU	Australian Council of Trade Unions
AEU	Amalgamated Engineering Union
AFL	American Federation of Labor
ASE	Australian Society of Engineers/Amalgamated Society of Engineers
AWU	Automotive Workers Union
CEO	Chief Executive Officer
CIO	Congress of Industrial Organizations
CKD	Completely Knocked Down
CPA (M-L)	Communist Party (Marxist-Leninist)
CWW	Carriages and Wagon Workers International Union of North America
EAD	Employers' Association of Detroit
FED&FA	Federated Engine Drivers & Firemens' Association
GM	General Motors
GM-H	General Motors-Holden's
GMOO	General Motors Overseas Operations
HMBB	Holden Motor Body Builders
IAC	Industries Assistance Commission
IMA	Industrial Mutual Association
MAC	Management Advisory Committee
NEDC	National Economic Development Council
NIRA	National Industry Recovery Act
NLRB	National Labor Relations Board
NLU	National Labor Union
SDS	Student Democratic Society
SLP	Service Loading Plan
SMWU	Sheet Metal Workers', Boilermakers' and Moulders' Union
UTLC	United Trades and Labor Council
VBEF	Vehicle Builders Employees' Federation
VBU	Vehicle Builders Union
WAM	Workers Action Movement

Name Usage

Throughout the history of the Holden organisation the name Holden's has been synonymous with the company, rather than General Motors-Holden or GM-H. For consistency and familiarity when mentioning the name of the company the term 'Holden's' will be used. Family members, such as Ted Holden, will be addressed by their full name in order to avoid confusion.

Abstract

The purpose of the thesis is to investigate and bring to light the role that trade unions played at Holden's in South Australia. It argues that Holden's relationship with its main unions was one that was developed over many years and was of mutual benefit. It does this by examining the development of Holden's, the trade union movement, the unions involved at Holden's and the growth of secondary industry in South Australia which facilitated the expansion of both. A series of case studies explore industrial action and their outcomes. To further demonstrate this uniqueness, comparisons will be made with General Motors operations in Britain and the US.

This thesis reframes the typical narrative of labour and business historiography in Australia. Rather than approaching the question through a binary framework of labour versus business, it will analyse the role of Holden's and the unions through their relationship of mutual benefit. For many years Holden's was one of Australia's largest and most profitable companies. From its entry into building motor car bodies in 1917, the company embraced unionism in its factories to improve industrial relations and ensure uninterrupted production. While this goal was not always achieved, as is shown in this thesis, strike activity was rare until a tumultuous period in the late 1960s and early 1970s that was paralleled throughout the world. However, for much of the time under investigation Holden's worked closely with its unions, providing better wages and conditions than many other industries.

Drawing on previously unused primary source material, this thesis explores an area of Australian history that has to date been overlooked. It argues that the relationship between Holden's and its unions was unique, long-lasting and of mutual benefit.

Introduction

This thesis presents an analysis of the interaction between General Motors-Holden's (Holden's) and its primary trade unions in South Australia between 1930 and 1980. It argues that the relationship between Holden's and its main union, the Vehicle Builders Employees' Federation (VBEF), was one of mutual benefit. This thesis reframes the typical narrative of labour and business historiography in Australia. Rather than approaching the question through a binary framework of labour versus business, it will analyse the role of Holden's and the VBEF through their relationship of mutual benefit. The conservative nature of the VBEF and Holden's decision to embrace unionism and closed shops soon after its resolution to commence motor body building in the 1920s provides the context for my argument that their relationship was one of mutual benefit. Holden's acceptance of trade unionism early in its corporate history is anomalous. When Holden's endorsed its employees joining a union, albeit one of its own choosing, the company went against commonly accepted business behaviour. The outcome was (mostly) one of industrial relations harmony within Holden's workforce.

A range of key questions relating to Holden's and its unions will be addressed. How had the relationship between Holden's and its unions, particularly the VBEF, been established? How did that relationship evolve during the period under review? Was the relationship tested and why? By addressing these questions, I will argue that the relationship between Holden's and the unions, specifically the VBEF, was symbiotic. Rather than a company-union relationship of mutual antagonism that was prevalent in the metal trades

industry, for example, Holden's and the VBEF worked together to achieve their desired outcomes. For Holden's this was uninterrupted output, and for the VBEF control of the workforce.

To understand Holden's importance to the South Australian economy the role of the company will be explored. We will see why Holden's became a major manufacturer in South Australia and what events led to General Motors (GM) involvement. Union activity at Holden's at the time of the merger between Holden's and GM, and the company's treatment of unions beforehand, will be explored. Also, we will examine the industrial relations landscape at the time. I argue that Holden's growth was due to innovative business practices and identifying and realising opportunities for expansion. These management practices involved all aspects of the business, including the decision to commence building motor car bodies through to the adoption of closed shop unionism.

Integral to Holden's success was harmonised industrial relations and so the growth of trade unionism is also explored. How did trade unionism develop in South Australia, specifically with relation to the motor car industry? How did unions change from craft to industry unions? What impact did federal legislation have on unions and businesses? I will address these questions and argue that the importance of trade unionism in South Australia began early and one union, the VBEF, became dominant at Holden's.

To discover whether Holden's experience was unique, this thesis will also analyse industrial relations at GM plants in the United States and the United Kingdom. I consider a number of questions: How did unions develop in the car industry? What legislative frameworks were implemented by governments?

What was the role of violence and coercion by unions and companies? And, what was the impact of strikes? By taking a trans-national, comparative approach I will argue that trade unionism became an integral part of GM operations globally, with differences between the geographical locations being less marked over time.

The importance of the motor car in Australian history has resulted in a broad ranging historiography. The motor vehicle revolutionised the way that Australians transport themselves and their goods. Research into this field has included general texts on the history of transport and of specific makes and models of vehicles. As Australia's largest manufacturer of cars, Holden's has attracted attention from historians. However, much of this work tends to be non-scholarly or of a generalised nature.

The relationship between trade unions and Holden's has yet to be addressed by scholars. While Holden's impact at a state and national level, particularly upon specific groups such as unions, was immense, it is not reflected in the historiography. The focus of automotive historians (many popular) has been on the development of Holden's in the postwar period, specifically following the introduction of the all-Australian car in 1948.[1] Labour historians, generally, have emphasised the role of workers and the trade union movement. Business historiography, as will be seen below, has been affected recently by

[1] See Don Loffler's *The FJ Holden: A Favourite Australian Car* (Adelaide: Wakefield Press, 2002), *Holden Days: From the Original 48-215 'FX' to the 1966 HR* (Adelaide: Wakefield Press, 2012), *Me and My Holden* (Adelaide: Wakefield Press, 2008), *She's a Beauty! The Story of the First Holdens* (Adelaide: Wakefield Press, 1998) and *Still Holden Together: Stories of the First Holden Model: The 48-215 Sedan and the 50-2106 Utility* (Adelaide: Wakefield Press, 2000); Richard Strauss, *Up for Rego: A Social History of the Holden Kingswood* (Sydney: Pluto Press, 1998).

corporate concern over public perception. As operations at Holden's came to a close in 2017, journalists also made a contribution to the literature, but they predominantly reflected on the reasons for closure and the direct impact on employees.[2] This focus shows an apparent compartmentalisation of the existing historiography and points to the opportunity to analyse Holden's in a different manner. By approaching the relationship between Holden's and its unions from all angles, using business, union and government sources, this thesis provides a different and more comprehensive understanding of the role that unions played and of the innovative practices of Holden's management.

The decision to focus on industrial relations at Holden's is two-fold. Firstly, the material available is extensive. The Holden archive, held at the State Library of South Australia, is a vast resource of archival material donated to the library by the company in 1997. The decision to use this archive was its ease of accessibility and knowledge beforehand that it was comprehensive. During the initial broad investigation, I uncovered particular topics that could be the basis of research: manufacturing, supply, personnel and industrial relations. Of these the latter continued to appear in various places within the archive and attracted my attention. While not my intention to necessarily research trade unions at Holden's – and this is the second reason to focus on industrial relations – the material was rich and deep. The more investigation that I completed the more I concentrated on unions, workers and their interaction with the company. In a way the continual reappearance of the topic was so great that it was difficult to ignore. With further research, using the archive and other primary sources, it

[2] Royce Kurmelovs, *The Death of Holden: The End of an Australian Dream* (Sydney: Hachette, 2016).

was clear that trade unions were a very important part of operations at Holden's. It also became apparent that there was a distinct relationship between the company and its unions, that was developed early, which differed from many other manufacturers. This was even more apparent during times of crisis, such as industrial unrest and wartime. Although other topics were of interest – and are open for investigation – industrial relations clearly, to me, was the topic with the greatest material and scope for research and exploration.

In order to place this thesis within the current historiography, I will be analysing the different fields of historical research that pertain to it. The topics reviewed will be automotive history, union history and business history, which will also include the role of government and secondary industry. This analysis will illuminate the overall development of the car industry in Australia. It will demonstrate that not only is there an evident opportunity to explore industrial relations at Holden's in South Australia, there is also considerable room in the scholarship for further scholarly research into Holden's and its operations.

Australian automotive historiography is dominated by narrative histories of specific makes or models.[3] Scholarly attention has tended to focus on the car industry generally. Pedr Davis's *Australians on the Road: Over 80 Years of Motoring in Australia* (1979) and Brian Carroll's *Australian Transport Through*

[3] Holden's examples include: Fiv Antoniou, *History of the Holden V8* (Melbourne: Ellikon Press, 2003); Shirley Birney, *Australia's Own: The History of Holden* (Sydney: Golden Press, 1985); Norm Darwin, *100 Years of GM in Australia* (Ballarat: H@nd Publishing, 2001); Tony Davis, *The Holden Heritage* (Melbourne: Public Affairs Department, General Motors-Holden, 1998 and 2001); Ewan Kennedy, *Holden: The Classic Models* (Blakehurst: Marque Publishing, 1997); John Wright, *Heart of the Lion: The 50 year History of Australia's Holden* (Sydney: Allen & Unwin, 1998); Steve Normoyle*, Holden: The Great Years, the Great Cars 1968-2003* (Summer Hill: Rockpool Publishing, 2017); Joel Wakely*, The Passion for Holden* (Sydney: Woodslane Press, 2017); Toby Hagon, *Holden: Our Car 1856-2017* (Melbourne: Pan Macmillan, 2016).

200 Years (1985) both provide overviews of the industry from the appearance of the first self-propelled vehicle in 1893.[4] John Wanna's 'The Motor Vehicle Industry in South Australia to 1945' (1985) specifically investigates the industry in South Australia.[5] Peter Stubbs's *The Australian Motor Industry: A Study in Protection and Growth* (1971), argues that government intervention through tariff policies was instrumental in the development of the Australian automotive industry, particularly in the postwar period.[6] George Maxcy's chapter 'The Motor Industry' in *The Economics of Australian Industry* (1963), explores the development of the Australian car industry and its state, particularly company structure and ownership, at the time of publication. He argues that the 'establishment of a motor manufacturing industry has perhaps been the most significant economic development in Australia since the war'.[7] The more recent *Transport: An Australian History* (2010) while claiming it is all-embracing, focuses mostly on rail and the quandaries of Sydney's transport system.[8] R.M. Conlon and John Perkins in *Wheels and Deals: The Automotive Industry in Twentieth Century Australia* (2001), examine the industry from the top down. They also argue that the way the Australian car industry developed was due to government policy, particularly tariffs. However, the authors' focus is predominantly on the interwar period and the industry in Victoria, and they

[4] Pedr Davis, *Australians on the Road: Over 80 Years of Motoring in Australia* (Adelaide: Rigby, 1979); Brian Carroll, *Australian Transport Through 200 Years* (Sydney: Kangaroo Press, 1985).
[5] John Wanna, 'The Motor Vehicle Industry in South Australia to 1945', *Journal of the Historical Society of South Australia* 13 (1985): 139-144.
[6] Peter Stubbs, *The Australian Motor Industry: A Study in Protection and Growth* (Melbourne: Cheshire Publishing, 1971).
[7] George Maxcy, 'The Motor Industry'. In Alex Hunter (ed.), *The Economics of Australian Industry: Studies in Environment and Structure* (Melbourne: Melbourne University Press, 1963), 529.
[8] Robert Lee, *Transport: An Australian History* (Sydney: UNSW Press, 2010).

have neglected the vital development of the postwar industry, only providing a brief analysis in their conclusion.[9] These works, while not specifically related to Holden's, provide useful context and historical background for this thesis.

The historiography of Holden's through biography is limited. In the *Australian Dictionary of Biography* (ADB), Henry James and Sir Edward Wheewall Holden, sons of the founder James Alexander Holden have a joint entry.[10] The essay argues that once Holden's had become a large employer, the family had a close patriarchal relationship with its workers. The entry, though, does not provide much detail. This is more a reflection of the nature of the ADB. Nancy Buttfield's detailed and personal narrative of the Holden family, *So Great a Change* (1979), remains the standard history for the early years of the company and family.[11] As a daughter of Sir Edward Holden, Buttfield unsurprisingly overlooks specific instances that reflect badly on the family, such as the role of Ted Holden in the AIF Canteens Service dispute during the Second World War.[12] Nonetheless, *So Great a Change* remains an important resource and has proved invaluable in establishing an understanding of the Holden family and its impact on the colony and later state of South Australia. Of equal value from the period after the merger with GM in 1931 is Laurence Hartnett's memoir, *Big Wheels and Little Wheels* (1965).[13] Hartnett's role as managing director was instrumental in

[9] R.M. Conlon and John Perkins, *Wheels and Deals: The Automotive Industry in Twentieth Century Australia* (Aldershot: Ashgate, 2001).
[10] Joan Hancock and Eric Richards, 'Holden, Henry James (1859-1926)' *Australian Dictionary of Biography*, http://adb.anu.edu.au/biography/holden-henry-james-6704. Accessed 1 August 2015.
[11] Nancy Buttfield, *So Great a Change: The Story of the Holden Family in Australia* (Sydney: Ure Smith, 1979).
[12] Justin Chadwick, '"Hitler's Secret Weapon": Blacklisted beer and the Canteens Inquiry', *Sabretache*, 60 (2019): 11-20.
[13] Laurence Hartnett, *Big Wheels and Little Wheels* (London: Angus and Robertson, 1965).

Holden's transition from near bankruptcy to a leading Australian manufacturer. His recollections, however, need to be treated with caution. The reproduction of verbatim discussions fifty years after the fact lend a personal touch, but their veracity must be questioned. Despite this caveat, Hartnett's role was integral to Holden's success, particularly in the immediate post-merger period until his dismissal soon after the introduction of the first locally produced car in 1948. Each one of these biographical sources are invaluable references for this thesis, particularly Buttfield's and Hartnett's, which provide insights that are not available elsewhere.

The development of Australian secondary industry, particularly during the postwar period, is well documented. As discussed by Helen Hughes, after the Second World War pent-up consumer demand was released and, coupled with high export earnings, resulted in a large market for consumer-durables.[14] Margaret MacColl and Stephen Bell have argued that the growth of secondary industry in the postwar period had been forecast by the federal government, which resulted in the creation of the Secondary Industries Commission.[15] The local development of secondary industry, and thus the supply of much of the nation's needs, was seen, accurately, by one of the official historians of the Second World War, D. P. Mellor, as a symbol of Australia developing as an industrial nation and heralded a new era of demand for consumer durables.[16]

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[14] Helen Hughes, 'Federalism and Industrial Development in Australia' *The Australian Journal of Politics and History* 10 (1964): 323-340.
[15] Margaret MacColl, 'The War and Industrial Development in Australia' *Australian Institute of Policy and Science* 12 (1940): 22; Stephen Bell, *Australian Manufacturing and the State: The Politics of Industry Policy in the Post-war Era* (Melbourne: Cambridge University Press, 1993).
[16] D.P. Mellor, *Australia in the War of 1939-1945: The Role of Science and Industry* (Canberra: Australian War Memorial, 1958).

Official historians of Australia's role in the Second World War, Gavin Long and Paul Hasluck, argued convincingly that secondary industry growth had commenced during the conflict with the manufacture of weaponry that could not be delivered by Britain.[17] Hasluck points out the importance of the increased role of women in manufacturing, though at much lower wage rates, but does not discuss women's industrial activity to achieve wage parity.[18] Long and Hasluck, however, overlook specific examples of secondary industry growth that had occurred before the war. The most obvious example of this is Holden's in South Australia, which had all the facilities needed to transfer production to manufacturing military equipment. However, for this thesis, the work by Long and Hasluck, as well as the other official historians, and Hughes, MacColl and Bell, are important in that they provide an understanding of the growth of secondary industry nationally. This thesis, therefore, sits within this existing scholarship.

South Australia's role in postwar consumerism has been addressed by a number of scholars. While the Premier, Thomas Playford, has been given the limelight for the development of secondary industry, historian T.J. Mitchell, argues that the astute civil servant, J.W. Wainwright was also instrumental.[19] Geographer David Rich convincingly demonstrates Playford's reasoning for manufacturing expansion by highlighting the economic crisis of the Great

[17] Gavin Long, *Australia in the War of 1939-1945: To Benghazi* (Canberra: Australian War Memorial, 1952), 27; Paul Hasluck, *Australia in the War 1939-1945: The Government and the People, 1936-1941* (Canberra: Australian War Memorial, 1952).
[18] Paul Hasluck, *Australia in the War 1939-1945: The Government and the People, 1936-1941* (Canberra: Australian War Memorial, 1952).
[19] Mitchell, T. J. 'JW Wainwright: The Industrialisation of South Australia, 1935-40' *Australian Journal of Politics and History* 8 (1962): 27-40.

Depression and the state's interventionist role in development.[20] In *Adelaide: A Sense of Difference* (2000), Derek Whitelock endorses Rich's argument, as does R.M. Gibbs in *A History of South Australia* (1990).[21] The importance of this period for the state is recognised by Paul Sendzuik and Robert Foster in *A History of South Australia* (2018). They write that the process of industrialisation was akin to Stalinist five-year plans.[22] Writing at the time events unfolded, Neal Blewett and Dean Jaensch, in *Playford to Dunstan: The Politics of Transition* (1971), are critical of Playford's time as Premier arguing that his conservatism was outmoded, particularly toward the end of his premiership.[23] Former South Australian Premier turned historian, John Bannon's analysis is more nuanced, demonstrating a continuity of industrialisation policy.[24] This literature is important to place the role of Holden's in the overall development of South Australian secondary industry.

The literature on industrial relations shows that integral to the smooth running of large-scale manufacturing is the organization of labour and industrial relations.[25] This literature varies from generalized to specific and includes

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[20] David C. Rich, 'Tom's Vision? Playford and Industrialisation'. In *Playford's South Australia: Essays on the History of South Australia, 1933-1968*. APH, Adelaide (1996).
[21] Derek Whitelock, *Adelaide: A Sense of Difference*. Arcadia, Adelaide (2000); R.M. Gibbs, *A History of South Australia* (Adelaide: Southern Heritage, 1990).
[22] Paul Sendzuik and Robert Foster, *A History of South Australia* (Melbourne: Cambridge University Press, 2018).
[23] Neal Blewett and Dean Jaensch, *Playford to Dunstan: The Politics of Transition* (Melbourne: Cheshire, 1971).
[24] J.C. Bannon, 'Walsh, Francis Henry (1897-1968)', *Australian Dictionary of Biography*, (Canberra Australian National University Press, 2002). http://adb.anu.edu.au/biography/walsh-francis-henry-11952. Accessed 1 August 2015.
[25] See J. Henry Richardson, *An Introduction to the Study of Industrial* Relations. Routledge, Abingdon (2003); Phil Lewis, 'Australia's Industrial Relations Singularity'. In *Only in Australia: The History, Politics and Economics of Australian Exceptionalism*. (Melbourne: Oxford University Press, 2016); Thomas Bramble 'Conflict, Coercion and Co-option: The Role of Full-Time Officials in the South Australian Branch of the Vehicle Builders Employees' Federation, 1967-80' *Labour History* 63 (1992): 135-154; John Wanna, 'A Paradigm of Consent:

dedicated journals, such as *The Journal of Industrial Relations* and *Labour History*, providing scholarly analysis of industrial relations and labour history. Of importance to this thesis are the annual reviews of trade unions published in *The Journal of Industrial Relations* that analyse events over the previous year. Greg Patmore's *Australian Labour History* (1991) is an invaluable source of labour relations historiography, clearly demonstrating developments, such as the increase in militancy, over a sixty year period.[26] Ian Turner and Leonie Sandercock's *In Union is Strength: A History of Trade Unions in Australia 1788-1983* (1983) and Brian Fitzpatrick's *Short History of the Australian Labor Movement* (1968) are excellent introductions to labour history.[27] Both argue that the study of trade unionism is not just one of the organisation of wage-workers, but one of class consciousness in which unions play a vital role. Similarly, Ross Martin's *Trade Unions in Australia*, published in 1975 and updated in 1980, is valuable as it directly relates to events under investigation, though is predominantly a narrative of events. More recent is labour historian Tom Bramble's *Trade Unionism in Australia: A History from Flood to Ebb Tide* (2008). This book provides a thorough overview of trade unionism in Australia with specific and thus relevant information on larger unions and industries, such as those involved in the car industry.[28] Focusing on South Australia is Jim Moss's *Sound of Trumpets: A History of the Labour Movement in South Australia* (1985).

Explanations of Working Class Moderation in South Australia' *Labour History* 53 (1987): 54-72; Milton Derber, 'Changing Union-Management Relation at the Plant Level in Australian Metalworking' *The Journal of Industrial Relations* 19 (1977): 1-23.

[26] Greg Patmore, *Australian Labour History* (Melbourne: Longman Cheshire, 1991).

[27] Ian Turner and Leonie Sandercock, *In Union is Strength: A History of Trade Unions in Australia 1788-1983* (3 ed.) (Melbourne: Nelson, 1983); Brian Fitzpatrick, *Short History of the Australian Labour Movement* (Melbourne: Macmillan, 1968).

[28] Thomas Bramble, *Trade Unionism in Australia: A History from Flood to Ebb Tide* (Melbourne: Cambridge University Press, 2008).

Moss's historiographical approach is Marxist. He argues that the trade unions were dominated by pragmatism. He claims that secondary industry was of little significance until the 1940s and focuses attention on the rural, mining and transport sectors.[29] The book remains the only history of trade unionism in South Australia. It does not discuss the car industry in detail, which is surprising as it was the largest employer for decades, but also reflects the conservative nature of the VBEF. This can be found in John Wanna's 'The History of Organisational Development in the South Australian Coachmakers' (Vehicle Builders) Union' in the *Journal of the Historical Society of South Australia* (1987).[30] The rich history of labour scholarship in Australia provides this thesis with a wealth of material to draw from. Of particular value are the works by Turner and Sandercock, Martin and Bramble which will feature predominantly in this thesis. While Moss's is the only specific state-based work, his book does not provide any detail on Holden's, and so reduces it value to this thesis.

When negotiations break down unions can use strike action to achieve their desired outcomes. The historiography of strikes is broad and includes general analysis and strike-specific examples. The earliest sociological analysis of strikes, E.T. Hiller's *The Strike: A Study in Collective Action* (1928), outlines how stoppages and strikes are organised, develop, their tactics and course. Hiller states that strikes 'are a form of conflict peculiar to modern industrial organization'. In 'a larger and more highly integrated society', argues Hiller,

[29] Jim Moss, *Sound of Trumpets: A History of the Labour Movement in South Australia* (Adelaide: Wakefield Press, 1985).
[30] John Wanna, 'The History of Organisational Development in the South Australian Coachmakers' (Vehicle Builders) Union', *Journal of the Historical Society of South Australia*, 15 (1987): 143-157.

disputes are settled collectively rather than by individuals. It is the strikes' cost, in lost production or work hours, that makes them an effective measure.[31] Expanding on Hiller's work, Alvin Gouldner, in his study *Wildcat Strikes* (1955), notes that a strike is also 'a refusal to obey' and, in the case of wildcat strikes, 'an open expression of aggression' [32] Gouldner, importantly, noted that a strike 'is a social phenomenon of enormous complexity which, in its totality, is never susceptible to compete description, let alone complete explanation'.[33] Acknowledging that there are a variety of strikes, J.E.T. Eldridge wrote in *Industrial Disputes: Essays in the Sociology of Industrial Relations* (1968) that 'the very same conditions which give rise to certain kinds of strikes may also lead to the diminution of other kinds of strikes'.[34] In *Strikes* (1984) Richard Hyman, building on these previous works, enumerates two types of strikes. They include 'the trial of strength', which is a prolonged dispute that results in serious deprivations for the workers and their families; and the demonstration stoppage, which while less high-profile is more common. This latter type of strike Hyman divides into demonstration of force, which is spontaneous, and perishable disputes whereby action needs to be immediate or lose necessity. Both are usually small and quickly settled.[35] All of these types of strike were encountered at some time at Holden's, as will be seen in the select case studies. Noting that all labour disputes were not necessarily based on wages, K.G.J.C. Knowles, in *Strikes:*

[31] E.T. Hiller, *The Strike: A Study in Collective Action*. (Chicago: University of Chicago, 1928), 1.
[32] Alvin Gouldner, *Wildcat Strikes: A Study in Worker-Management Relations*. (New York: Harper & Row, 1955), 66.
[33] Gouldner, *Wildcat Strikes*, 65.
[34] J.E.T. Eldridge, *Industrial Disputes: Essays in the Sociology of Industrial Relations.* (New York: Routledge & Kegan Paul, 1968), 3.
[35] Richard Hyman, *Strikes* (3 ed.). (London: Fontana, 1984), 19-25.

A Study of Industrial Conflict (1952), wrote that the right to strike was part of workers' determination on the conditions of their work.[36] Eric Batstone, Ian Boraston and Stephen Frenkel in *Shop Stewards in Action: The Organization of Workplace Conflict and Accommodation* (1977) and *The Social Organization of Strikes* (1978) argued that not all workers were prone to strike, but became that way if an agreement had been broken or workers felt that management was being unfair.[37] Each of these works will contribute to a conceptual understanding of strike action that occurred at Holden's. The work of Hiller and Eldridge provide a sociological overview that explores the causes for workers to strike. While Gouldner, Hyman, Knowles, and Batstone, Boraston and Frenkel have specific relevance to reasons for industrial action, such as alterations to conditions of employment.

Scholarly literature on trade unionism in the car industry is varied. John Wanna's PhD dissertation *The Politics of Organised Labour: An Analysis of South Australian Trade Unions in the Metal and Vehicle Industries* (1984) is a major contribution and a useful starting point. Wanna argues that any analysis of unions requires locating the politics of unionism within the framework of capitalism, the development of labour organisation, union sociology and internal processes within specific unions. This is a generalised approach covering all the metal trades industry.[38] Wanna's thesis is valuable as one of the unions under his

[36] K.G.J.C. Knowles, *Strikes: A Study in Industrial Conflict* (New York: Philosophical Library, 1952).
[37] Eric Batstone, Ian Boraston and Stephen Frenkel, *Shop Stewards in Action: The Organization of Workplace Conflict and Accommodation*. (Oxford: Blackwell, 1977); Eric Batstone, Ian Boraston and Stephen Frenkel, *The Social Organization of Strikes* (Chicago: Blackwell, 1978).
[38] John Wanna, *The Politics of Organised Labour: An Analysis of South Australian Trade Unions in the Metal and Vehicle Industries*, PhD dissertation, University of Adelaide, 1984.

investigation is the VBEF and it is South Australian based. His use of the term 'paradign of consent' in 'A Paradigm of Consent: Explanations of Working Class Moderation in South Australia' (1987), is appropriate when discussing the less radical nature of South Australian labour history.[39] While some of Wanna's later works include studies of labour development in South Australia, they predominantly focus on governance and public policy.[40] Thomas Bramble has published journal articles on trade union roles within the car industry, particularly the VBEF and its interaction with the more militant Amalgamated Engineering Union (AEU), thus providing a sound basis of scholarly analysis.[41] In 'Conflict, Coercion and Co-option: The Role of Full-time Officials in the South Australian Branch of the Vehicle Builders Employees' Federation, 1967-80' (1992), Bramble argues that previous studies have failed to adequately address the importance of rank and file members of the union.[42] The central thesis of Bramble's history of trade unionism, as mentioned above, is that worker militancy was allowed to ebb away from years of lazy union leadership.[43] Robert Tierney argues convincingly that a lack of militancy was a feature of industrial relations in the car companies, especially as the moderate, anti-Communist VBEF

[39] John Wanna, 'A Paradigm of Consent: Explanations of Working Class Moderation in South Australia', *Labour History* 53 (1987): 54-72.
[40] John Wanna, *Defence not Defiance: The Development of Organised Labour in South Australia* (1981); *Business-government Relations in Australia* (with Stephen Bell, 1992); *Yes, Premier: Labor Leadership in Australia's States and Territories* (with Paul D. Williams, 2005); Wanna has written the political chronicles, 'Commonwealth of Australia', for the *Australian Journal of Politics and History* since 2003.
[41] Thomas Bramble, 'Trade Union Organization and Workplace Industrial Relations in the Vehicle Industry 1963 to 1991' *The Journal of Industrial Relations* 35 (1993): 39-61.
[42] Thomas Bramble, 'Conflict, Coercion and Co-option: The Role of Full-time Officials in the South Australian Branch of the Vehicle Builders Employees' Federation, 1967-80', *Labour History* 63 (1992): 135-154.
[43] Thomas Bramble, *Trade Unionism in Australia: A History from Flood to Ebb Tide* (Melbourne: Cambridge University Press, 2008).

became the dominant union.[44] In his annual reviews for *The Journal of Industrial Relations*, R.M. Martin has written extensively on industrial activity specifically in car plants. Stephen Creigh and Mark Wooden, in 'Strikes in Post-War Australia: A Review' (1985), analyse postwar strike activity generally, providing an important argument on the sources and outcomes of strikes in Australia.[45] While Creigh and Wooden contribute to an extensive literature on strike activity, particularly in South Australia, they do not cover the car industry.[46] Tom Sheridan's *Mindful Militants: The Amalgamated Engineering Union in Australia 1920-1970* (1975), highlights the militancy of the AEU and its aggressive recruiting practices directed towards less skilled workers.[47] His monograph provides an important and thorough investigation of the union and its role in industry and is particularly relevant for any investigation of Holden's from the late 1960s onward. All the above works have proved to be invaluable to the formation of the argument of this thesis. However, at this time, there is no such similar work for the VBEF. While unions in the car industry have attracted scholarly attention, thus forming a sound historiography for my thesis, the focus has been predominantly on more militant unions.

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[44] Robert Tierney, 'Immigration and Production Line Margins in the 1950s Vehicle Building Industry' *The Journal of Industrial Relations* 36 (1994): 18- 36.
[45] Stephen Creigh and Mark Wooden. 'Strikes in Post-War Australia: A Review' *The Journal of Industrial Relations* 27 (1985): 131-157.
[46] See Mel Davies, 'Cornish Miners and Class Relations in Early Colonial South Australia: The Burra Burra Strikes of 1848-49' *Australian Historical Studies* 26 (1995): 568-595; Moss, *Sound of Trumpets*; Robin Walker, 'The Maritime Strikes in South Australia, 1887 and 1890' *Australian Society for the Study of Labour History* 14 (1968): 3-12; *Yearbook of the Commonwealth of Australia*; S*outh Australian Year Book;* Stuart Svensen, *The Sinews of War: Hard Cash and the 1890 Maritime Strike* (Sydney: University of New South Wales Press, 1995).
[47] Tom Sheridan, *Mindful Militants: The Amalgamated Engineering Union in Australia 1920-1972* (Cambridge: Cambridge University Press, 1975).

Australian business historiography is considerably smaller than that of labour history. Grant Fleming, David Merrett and Simon Ville argue in *The Big End of Town: Big Business and Corporate Leadership in Twentieth-Century Australia* (2004) that Australian enterprise 'has not been well served by academic scholarship'.[48] Thomas Buchanan and Thomas Mackay in their recent study of BHP in Whyalla agree.[49] Business historiography draws heavily from Alfred Chandler's work in *Strategy and Structure: Chapters in the History of the American Industrial Enterprise* (1962), which concludes that business follows a strategy that uses resources to attain specific goals.[50] Chandler expanded his ideas through comparative studies of international companies in *Scale and Scope: The Dynamics of Industrial Capitalism* (1990).[51] This has led to similar studies by other business historians, but less so in Australia. Fleming, Merrett and Ville argue that this gap is surprising as many corporations in Australia have either direct or indirect foreign influence through ownership or investment.

South Australian company history, often, has been commissioned by the enterprise to commemorate an anniversary or as a promotional tool. Early examples that comply with both these criteria include *Dalgety & Company Limited, Adelaide* (1923) and *The Savings Bank of South Australia: History and Progress* (1928). Publications of this nature today are generally written by publicity departments rather than historians. Holden's Publicity Department

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[48] Grant Fleming, David Merrett and Simon Ville, *The Big End of Town: Big Business and Corporate Leadership in Twentieth-Century Australia* (Melbourne: Cambridge University Press, 2004), viii.
[49] Thomas Buchanan and Thomas Ashley Mackay, 'The Return of the Steel Octopus: Free Enterprise and Australian Culture During BHP's Cold War', *History Australia* 15 (2018): 62-77.
[50] Alfred Chandler, *Strategy and Structure: Chapters in the History of the American Industrial Enterprise* (Cambridge: MIT Press, 1962).
[51] Alfred Chandler, *Scale and Scope: The Dynamics of Industrial Capitalism* (Cambridge: Harvard University Press, 1990).

(later renamed the Corporate Affairs Department) had regularly released publicity material, such as *The Changing Trend* (1936) and *The Holden Heritage* (1989-2007). However, understandably, marketing material does not interrogate operational achievements or company actions. The only attempt to create a corporate history of Holden's is Frank Daley's unpublished manuscript 'A History of GMH' (c. 1961). Daley was a senior engineer at Holden's and his work is a narrative account of events that is not referenced and purely descriptive. What this brief overview of the literature highlights is the lack of Australian corporate history produced by scholars. This could be for a number of reasons, including control of information by the corporation or a desire only to be seen in a positive light. Regardless, the result is a lack of secondary material to draw upon and thus my greater reliance on primary sources to support the thesis's argument.

The volume of literature on the car industry and trade unions in the United States and Britain reflects the greater scale of operations in those countries. While there are many generalised histories of the car industry as well as of specific makes and models in the US and Britain, the only ones of relevance here are those of GM and its subsidiaries. Biographies of the founders of the car industry, particularly in the US, are common, three of which are specific to GM. Lawrence Gustin's *Billy Durant: Creator of General Motors* (2008), is a typical biography that provides a narrative of the subject's life and the beginning of the company.[52] Two memoirs have been written by senior managers of GM, Alfred P. Sloan and John De Lorean. Sloan's book is important as it encapsulates the early

[52] Lawrence R. Gustin, *Billy Durant: Creator of General Motors* (Grand Rapids: Eerdmans, 1973), updated University of Michigan Press (2008).

years of the twentieth century and GM's growth and interaction with trade unions.[53] De Lorean's autobiography, published in 1980, discusses his experience in a mature corporation striving for profit above all.[54] Sloan's memoir is particularly important as it shows the enormous growth of the car industry, the impact of the Great Depression and the attitude of senior management at GM toward organized labour, highlighting the adversarial role that the company took toward unionism. While Gustin's and De Lorean's works are of minor interest, Sloan's is vital in gaining an understanding of the man, his impact on the company, and ideology toward unions. It contributes greatly to this thesis.

The growth of trade unions in the US and UK, and employer and government reaction to that growth is a broad area of scholarly interest. In the US, Melvyn Dubofsky and Foster Rhea Dulles's, *Labor in America: A History* (2014), is indicative of general works on labour history, which build on Philip S. Foner's magisterial four-volume *History of the Labour Movement in the United States* (1947, 1955, 1964 and 1965).[55] Irving Bernstein's *Turbulent Years: A History of the American Worker, 1933-1941* (1969) highlights corporate transgressions, such as GM's anti-union activities.[56] Anti-union methods used by the major carmakers have been addressed by many scholars, but described best

[53] Alfred P. Sloan, *My Years with General Motors* (London: Sidgwick & Jackson, 1965).
[54] John Z. De Lorean, *On a clear day you can see General Motors* (London: Sidgwick and Jackson, 1980).
[55] Melvyn Dubofsky and Foster Rhea Dulles, *Labor in America: A History* (New York: John Wiley & Sons, 2014); Philip S. Foner, *History of the Labor Movement in the United States: From Colonial Times to the Founding of the American Federation of Labor* (New York: International Publishers, 1947), *History of the Labor Movement in the United States: From the Founding of the American Federation of Labor to the Emergence of American Imperialism* (1955), History *of the Labor Movement in the United States: The Policies and Practices of the American Federation of Labor, 1900*-1909 (1964), and *History of the Labor Movement in the United States: The Industrial Workers of the World, 1905-1917* (1965).
[56] Irving Bernstein, *Turbulent Years: A History of the American Worker, 1933-1941* (Boston: Houghton Mifflin, 1969).

in *Against Labor: How US Employers Organized to Defeat Union Activism* (2017), the seminal work on the subject to date.[57] Thomas Klug's chapter argues that employers used the legal system to their advantage, particularly the police. This is distinctly different to what was experienced by unions in Australia which had legislative frameworks offering protection from overt company interference.

In the UK, the most informative general trade union histories are Hugh Armstrong Clegg's three-volume *A History of British Trade Unions Since 1889* (1964, 1985 and 1994), W. Hamish Fraser's *A History of British Trade Unionism 1700-1998* (1999) and *A History of British Industrial Relations* (1996) edited by Chris Wrigley.[58] Each of these works provides contextual information of the growth and importance of the trade union movement in the UK, though with cursory investigation of the car industry. These works provide an insightful overview of the union movement in Britain. While lacking in specifics of the car industry, these works discuss the development of unionism, the reaction of industry and the changes over time of government attitudes and legislative powers and provide historical context for this thesis.

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[57] Thomas A. Klug, 'Employers' Path to the Open Shop in Detroit, 1903-7'. In *Against Labor: How US Employers Organized to Defeat Union Activism* (Chicago: University of Illinois Press, 2017); See also, Gilbert J. Gall, 'Heber Blankenhorn, the LaFollette committee, and the Irony of industrial repression' *Labor History* 23 (1982): 246-253; H. M. Gitelman, 'Perspectives on American Industrial Violence' *Business History Review* 47 (1973): 1-23.

[58] Hugh Armstrong Clegg, *A History of British Trade Unions Since 1899: Vol. 1. 1889-1910* (Oxford: Clarendon Press, 1964), *Vol. 2. 1911-1933* (1985), *Vol. 3. 1934-1951* (1994); W. Hamish Fraser, *A History of British Trade Unionism 1700-1998* (London: Macmillan, 1999); Chris Wrigley (ed.), *A History of British Industrial Relations* (Cheltenham: Edward Elgar, 1996). See also, Ron Harris, 'Government and the Economy'. In *The Cambridge Economic History of Modern Britain. Volume I: Industrialisation, 1700-1860*, Roderick Floud and Paul Jonson (ed.) (Cambridge: Cambridge University Press, 2004); A. Leeson, 'Business as Usual – Craft Union Developments 1834-1851,' *Bulletin of the Society for the Study of Labour History* 49 (1984), 15-18; Chris Howell, 'Trade Unions and the State: A Critique of British Industrial Relations', *Politics & Society* 23 (1995): 149-183.

Scholarly work on unions and their growth in the car industry varies greatly between the US and the UK. In the US, the United Auto Workers (UAW) has received much scholarly attention. Walter Reuther, the leader of the UAW during the collective bargaining period following the Depression, has been the subject of numerous studies.[59] The most important is Nelson Lichtenstein's *The Most Dangerous Man in Detroit: Walter Reuther and the Fate of American Labor* (1995), a wide-ranging and analytical biography of the man.[60] Reuther's brother's memoir, *The Brothers Reuther and the Story of the UAW* (1976), provides a close personal perspective, but must be treated with care as it tends, unsurprisingly, to be hagiographical.[61] This memoir is eclipsed by Irving Howe's, *The UAW and Walter Reuther* (1973)[62] and John Barnard's *American Vanguard: The United Auto Workers During the Reuther Years, 1935-1970* (2004).[63] These books describe the people and events during the rise of the UAW and provide insightful analysis of the impact of the union on the car industry, especially GM. In the UK, scholars have written more generally on the car industry and its unions. Examples include, Garfield Clack's *Industrial Relations in a British Car Factory* (1967) and *Labour Relations in the Motor Industry* (1967), by H.A.

[59] See John Barnard, *Walter Reuther and the Rise of the Auto Workers* (Boston: Little, Brown, 1983); Frank Connor and William J. Eaton, *Reuther* (Englewood Cliffs: Prentice-Hall, 1970); Jean Gould and Lorean A. Hicock, *Walter Reuther: Labor's Rugged Individualist* (New York: Dodd, Mead, 1972); Eldorous L. Dayton, *Walter Reuther: The Autocrat of the Bargaining Table* (New York: Devin-Adair, 1958); Sidney Fine, 'The Origins of the United Automobile Workers, 1933-1935' *Journal of Economic History* 18 (1958): 249-282.
[60] Nelson Lichtenstein, *The Most Dangerous Man in Detroit: Walter Reuther and the Fate of American Labor* (New York: Basic Books, 1995).
[61] Victor Reuther, *The Brothers Reuther and the Story of the UAW* (Boston: Houghton Mifflin, 1976).
[62] Irving Howe, *The UAW and Walter Reuther* (New York: Da Capo Press, 1973).
[63] John Barnard, *American Vanguard: The United Auto Workers During the Reuther Years, 1935-1970* (Detroit: Wayne State University Press, 2004).

Turner, Geoffrey Roberts and Clack.[64] Published in 1967 both of these investigations provide an excellent analysis of events at the time, arguing that car workers were as strike-prone as miners, shipbuilders and waterside workers. These books were followed by Paul Willman and Graham Winch's, *Innovation and Management Control: Labour Relations at BL Cars* in 1985. Although Willman and Winch focus on British Leyland, the car industry in the UK generally suffered the same problems.[65] While none of these works are specific to unions operating at GM in Britain, they do provide much contextual information relevant to the thesis.

Vauxhall, GM's UK operation, was relatively peaceful, earning it the derogatory term 'the turnip patch', a place where nothing happened.[66] For this reason it has attracted less scholarly attention than other more strike-prone car makers, such as British Leyland. However, a few scholars, such as Graham Turner, Len Holden and Reginald Pearson have researched the company and its workforce, providing some analysis of events and personalities of the company.[67]

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[64] Garfield Clack, *Industrial Relations in a British Car Factory* (London: University of Cambridge, 1967); H.A. Turner, Garfield Clack and Geoffrey Roberts, *Labour Relations in the Motor Industry* (London: George Allen & Unwin, 1967). See also, Tim Claydon, 'Trade Unions, Employers and Industrial Relations in the British Motor Industry c1919-45', *Business History* 29 (1987): 304-324; D. G. Rhys, 'Employment, Efficiency and Labour Relations in the British motor industry', *Industrial Relations Journal* 5 (1974): 4-26; Arthur J. McIvor, 'Employers' Organisation and Strikebreaking in Britain', *International Review of Social History* 29 (1984): 1-33; J. W. Duncan, W. E. J. McCarthy and G. P. Redman, *Strikes in Post-war Britain: A study of stoppages of work due to industrial disputes, 1946-73* (London: George Allen & Unwin, 1983).

[65] Paul Willman and Graham Winch, *Innovation and Management Control: Labour Relations at BL Cars* (London: Cambridge University Press, 1985), 172.

[66] Len Holden, '"Think of Me Simply as the Skipper": Industrial Relations at Vauxhalls, 1920-1950', *Oral History* 9 (1981), 19.

[67] Graham Turner, *Car Makers* (London: Eyre & Spottiswoode, 1963); Reginald Pearson, 'From Group Bonus to Straight Time Pay', *Journal of Industrial Economics* 8 (1960): 113-121; Len Holden, 'Think of Me Simply as the Skipper': Industrial Relations at Vauxhalls, 1920-1950', *Oral History* 9 (1981): 18-32; Len Holden, *Vauxhall Motors and the Luton Economy, 1900-2002* (Bedford: Bedfordshire Historical Record Society, 2003).

This dearth of scholarship on Vauxhall parallels that of Holden's. While there is a general interest in the companies and their interaction with unions, there is little academic research.

The lack of scholarship raises the question: Why is there not greater interest in the local car industry by Australian historians and in particular industrial relations? It was only as recently as 2015 that an association of automotive historians was formed in Australia. This is in stark contrast, for instance, to the Australian society for the study of labour history that was established in 1961. For an industry that has been operating for over a century it is surprising that it has not received more dedicated analysis by academic researchers. The association has struggled to attract academic historians. According to the association's website, the convenors of the 2019 conference welcomed 'both formal academic papers and less formal presentations, in any format which reflect greatly on motoring and automotive culture'.[68] Perhaps this informality has deterred historians or the industry's involvement. This thesis, by drawing on different historiographies, highlights that a 'multi-historiographical' path is necessary to answer some of the key historical questions I have raised.

Sources

This thesis brings to light under-utilised as well as completely original archival resources to map the interaction between Holden's and its unions. My initial research for this project was conducted through a general study of the Holden's

[68] 'Conference 2019', http://www.autohistoriansaustralia.org/conference-2019. Accessed 29 May 2019.

archive held at the State Library of South Australia (SLSA). Holden's has been donating historical archives to the SLSA since 1997 and, in 2016, announced the records would remain there after the company ceased manufacturing operations in Australia. The archive is wide-ranging and vast, covering all aspects of Holden's operations in South Australia including finance, management, procurement, design, marketing, manufacturing, competition and industrial relations until the late 1980s. The archival material dealing with labour and industrial relations is rich in material and diversity. It revealed not just interaction between Holden's and its unions, but also between the unions that operated at Holden's plants. It was this material that drew me to focus my investigation on the interaction between Holden's and its unions and forms the nucleus of my thesis.

The breadth and depth of Holden's archive is significant. Correspondence between local management and GM headquarters in New York and between managers throughout Australia shows the day-to-day running of the company, problems encountered and how they were addressed. Telexes and memoranda show, in detail, the actions of company personnel. Financial reports, balance sheets, expenses and annual reports illustrate the monetary aspects of the firm. Papers from the Public Affairs Department show the role of ensuring the company's message was consistent. The detailed internal report on the local operations of GM, written by GM Overseas Operations manager Graeme Howard, the document that triggered the purchase of Holden's in 1931, was pivotal and, to my knowledge, has not been referenced before. The correspondence between the plant managers during the industrial unrest of the 1970s, with telexes being transmitted almost on a minute-by-minute basis, shows an immediacy and

urgency. The instigation of improved working conditions by Holden's is demonstrated through the correspondence between managers, such as that which followed a medical report on the company's factories in 1937. These examples are just a selection of the breadth of the archive and its importance to historians of not only the car industry, but also of business, labour and economics. Although the archive has resided at the SLSA for twenty years it has received scant attention from scholars, and I am the first to investigate the archive beyond the records that deal with the design and production of the cars.

I have accessed trade union archives from various sources. The SLSA holds the archives of Unions SA (the old Trade Unions and Labour Council) and the Australian Labor Party (SA Branch) which provide some material on the unions at Holden's. The main repository of archival records on the VBEF is held at the University of Melbourne. I consulted the minutes of meetings, union pamphlets and correspondence conducted by the union which provide an insight into the organisation and the various changes during the period under investigation. Problems encountered by the union during the late 1960s and early 1970s, such as the rise of rank and file militancy and the role of women in the workplace, are recorded in the minutes and correspondence.

Using the resources of the National Library of Australia's Trove project, this thesis draws on various newspaper sources. South Australian newspapers, such as *The Advertiser*, *The Register* and *The News*, provide a local, though sometimes parochial, view of events and cover news that would not necessarily attract the attention of a national paper. The importance to the local economy of Holden's ensured that all news of the company was reported by the local newspapers. Publications, such as Sydney's *The Tribune* – the official newspaper

of the Communist Party of Australia – offer more radical viewpoints and I have found them useful in providing an alternative assessment of events. A national approach is gleaned from the reportage of *The Canberra Times* and *The Australian*. Newspapers and other media for that matter need to be treated with care due to proprietorial influence or ideological inclination. However, what is apparent, in the large newspapers especially, is the quality of journalism and reporting. As the single source of news for much of the population, newspapers, which up until relatively recently competed in a crowded and competitive marketplace, were reliable and consistent in their reporting. The use of newspapers is not to replace archival research. Rather, they are used to demonstrate Holden's social, cultural and economic impact both locally and nationally. In some instances, newspapers are the only source of evidence as many pertinent records are missing through destruction (deliberate or otherwise) or loss. An example is the fire at Richard's Buildings in November 1924, when the company's showroom, warehouse and offices were destroyed. Not only was all stock lost but also company records.[69] In this example, without those company records, research can be restricted, and newspapers become more important as a source. This can be further demonstrated with the development of trade unions in South Australia. Contemporary archives are non-existent, but the establishment of the unions were reported by local newspapers. For my thesis newspapers, therefore, represent a valuable source of material to support archival research, provide information where none other exists and reflect trends and sentiment from the time.

[69] See 'Great Fire in the City', *The Advertiser* (Adelaide), 11 November 1924, 9; 'Great Fire in the City', *Chronicle* (Adelaide), 15 November 1924, 50.

Commonwealth and state parliamentary debates, as well as other government legislation and records, have also been consulted. The importance of secondary industry was recognised by the early post-Federation governments. A desire for a degree of industrial autarky stimulated considerable parliamentary debate. This was expanded once the car industry, particularly Holden's, had grown to become the country's largest manufacturer and one of its biggest employers. Parliamentary debates provide a political aspect of events, one that is almost on a macro plain, that differs from the interpretation of events at company and union levels. Other government records, such as yearbooks and statistics, give supporting evidence for many events and decisions that key figures made throughout the period of this thesis. Statistical data provides information at both federal and state levels. Legislation forms an overarching framework of control that both companies and unions must work within. The *Commonwealth Arbitration and Conciliation Act* (1904), for instance, is a central focus of this thesis and establishes company-union rapport when negotiating disputes. Specific primary sources are used from National Archives from various government departments. The section on the employment of women at Holden's during the Second World War, their impact on employment practices, demand for equal pay and industrial action draws extensively from the records of the attorney general, the Commonwealth Court of Conciliation and Arbitration and the records of the economic consultant, especially those that deal with the Women's Employment Board. Each of these departments was closely involved in decision-making regarding the employment of women during the war and the demand for equal pay, particularly the attorney general. The industrial action women workers took in South Australia, in factories such as Holden's, is

investigated using records from the cabinet office, the attorney general's department and the economic consultant. These records cover the impact of the strike by women for equal pay on wartime production and the impact on the economy if their demands were met. The process of negotiating a resolution to the dispute was conducted by the Commonwealth Court of Conciliation and Arbitration. These records provide a rich seam of information to investigate the impact that women had on employment practices and the unions at Holden's during the war and subsequently. Wartime production and manufacturing, to a lesser extent, is explored using records from the council of defence, war cabinet secretariat, trade and industry and the prime minister's departments. These records mainly deal with Holden's contribution to the manufacture of war materiel and munitions. The role of Holden's in postwar reconstruction, with the development of secondary industry in South Australia and the 'All-Australian Car', is explored using records from the post-war reconstruction and the prime minister's departments and cabinet papers. These archives show the importance of postwar reconstruction, the development of secondary industry, and the role that large companies, such as Holden's, was to play. The closeness of Holden's and its unions in influencing government policy, especially tariff protection, during the early 1970s is explored using the records of the cabinet office, including cabinet submissions and papers, departments of trade and industry and the prime minister's. These are also used in the third case study, in chapter 4.

Sources can also be complementary. Publicly available government archival material, whether it be departmental or parliamentary, can be augmented through contemporary comment, from journals and newspapers.

This can provide a greater understanding of what people were thinking at the time, particularly if the topic was of public importance. An example is the employment of women workers during the Second World War. Here the government archives from the war cabinet secretariat, cabinet office and the attorney general's department are used in conjunction with newspaper articles. The former provides the wider framework and the latter describes specific, local narratives of events.

Chapter summary

The thesis comprises five chapters. While broadly chronological in structure each chapter explores the growth of Holden's, the importance of secondary industry to South Australia, trade unionism and company/union interaction. Three case studies investigate and analyse differing aspects and outcomes of industrial disharmony and how the unions involved, and Holden's, resolved their differences. A transnational, comparative investigation concludes the thesis in an analysis that compares Holden's with GM car plants in the US and the UK.

Chapter One is broadly contextual in nature. It presents an overall understanding of the emergence of Holden's as a leading manufacturer in South Australia. The chapter argues that Holden's came to this position of prominence through the company's adoption of innovative manufacturing and management techniques.

Chapter Two analyses the growth of secondary industry in South Australia. It does this by investigating the condition of secondary industry in the state and the role of the Premier, Thomas Playford, and his invaluable auditor

general, J.W. Wainwright in promoting and developing manufacturing industry. It argues that Holden's was the cornerstone of that growth.

Chapter Three explores trade unionism at Holden's in South Australia. It investigates the development of unionism and the importance of the conciliation and arbitration system created by the federal government following Federation in 1901. The chapter argues that trade unions were important for industrial harmony and that of the unions at Holden's one, the Vehicle Builders Employees' Federation (VBEF), was instrumental in achieving that peace. The chapter also looks at the other main unions at Holden's and their interaction with each other and the company as well as the changing nature of industrial relations during the period under investigation.

Chapter Four uses three case studies to demonstrate the different nature and outcomes of industrial disputes during the period under review. The first, a strike over the use of time-study methods to measure worker productivity and increase efficiency in 1944, demonstrates the changing nature of wartime production, particularly towards the end of the war. The second is the 1964 strike over wage demands that expanded from the industrial action of mine workers in Queensland. Following the rise of rank and file militancy, the third case study concerns the rolling industrial disputes of the 1970s and reflects the changing nature of trade unionism at Holden's.

Chapter Five investigates the industrial relations landscape internationally at GM plants in the US and UK and compares them with developments in Australia. It places the thesis within an international context and highlights the difference between the operations at GM plants in Australia and those overseas. This illustrates the uniqueness of the relationship between

Holden's and its unions. The chapter explores the rise of trade unionism in the car industry and the differing legislative frameworks that affected trade unions. It also looks at employer reactions to unionism, particularly collective bargaining, industrial activity and the use of violence and coercion as a means to control unions. As with the rest of the thesis, the focus is on the fifty-year period from 1930 until 1980 and shows the differences between the plants in each of the three countries while they were under the same parent company. This chapter demonstrates the similarities and differences amongst GM operations in Australia, the UK and the US. What is shown is how each country, due to historical precedent, developed its approach to trade unionism differently. While GM, like other US car makers, was predominantly an anti-union company, the existing arrangement in Australia between Holden's and its unions was allowed to continue. This relationship, which developed at the very beginning of motor body building at Holden's, remained for the century that Holden's manufactured cars.

Chapter 1

From Saddles to Cars: The growth of Holden's

In August 1917 the motoring correspondent of the Adelaide *Mail* visited the factory of Holden & Frost. Likening the business to David Everett's poem where 'Large streams from little fountains flow; tall oaks from little acorns grow', he wrote of its 'remarkable expansion'. Being conducted on a factory tour by owner Henry Holden, the reporter was impressed by the 'motor vehicles of every shape and pattern', which 'were being carefully put through the different processes of the painter's art'. He watched as the vehicles were hoisted from the ground floor by an electric lift and the 'considerable activity in the trimming works, where the operatives were busily employed on motor car, sidecar, and buggy requirements'. Holden, keen to display the labour saving equipment installed, picked up a piece of timber, cut and sanded it 'with the deft fingers of a practiced artisan'. Concluding, the correspondent wrote of the 'abundant signs of progress and prosperity', which was no more apparent than in 'those departments where practically every requirement of the motoring community can now be supplied'.[1]

When the leather goods and carriage making firm of Holden & Frost began the manufacture of motor car bodies in 1917 there was no indication of where the move would take the firm. The decision, in keeping with the Holden family tradition of progressiveness and innovation, paid handsome dividends. Only two years later the company expanded to new premises in the city of Adelaide, but by 1923 this factory was at capacity. A new site was found and

[1] 'Abreast of Modern Requirements', *The Mail* (Adelaide), 4 August 1917, 16.

developed in the western Adelaide suburb of Woodville and was to be the manufacturing centre of Holden's for the next 25 years. By 1929, just over a decade after the decision to enter into the manufacture of motor car bodies, the company employed 3,500 people with sales of £1,256,962.[2] To achieve these outcomes the company had implemented the latest technological advancements in manufacturing and formed, importantly for this thesis, a close relationship with trade unions. However, the rapid rise of Holden's was jeopardized by the onset of the Depression. With diminished sales of motor car bodies Holden's survival as a business relied on a merger – in this instance this is a company structural term whereby one entity purchases the other but uses the existing trading names so as not to confuse an extant market – in 1931 with the US carmaker, GM. This decision resulted in continued existence for Holden's, under the brand name General Motors-Holden (GM-H).

The events at Holden's in South Australia that led to the merger with GM raise certain questions about how the company arrived at that position. These questions include: How had Holden's become such a major manufacturer in South Australia? What were the events that led to the involvement of GM? What unions were active in Holden's at the time of the merger? How did Holden's treat unions before the merger? What was the industrial relations landscape like?

This chapter will address these questions by scrutinising the attitudes and actions of Holden's towards its workforce from the formation of the company in 1856 until its merger with GM in 1931. The existing historiography

[2] 'Holden's Motor Body Builders', *The Advertiser* (Adelaide), 14 March 1929, 7; 'Holden's Motor Body Builders', *The Sydney Morning Herald*, 14 March 1929, 13; 'Holden's Body Builders', *Brisbane Courier*, 16 March 1929, 12; 'Holden's Motor Body Co.', *The West Australian* (Perth), 20 March 1929, 15.

of Holden's early years focuses on a strict narrative that commences with the arrival of James Holden to the colony of South Australia in 1852. The subsequent actions of the newly arrived immigrant from Walsall in England are based on Nancy Buttfield's history, *So Great a Change: The Story of the Holden Family in Australia* (1979). Buttfield's familial access has resulted in a recollection of the early years of the company and Holden family life. Her access to personal anecdote enlivens her book and creates a story of interest, but it is not scholarly. Other historians tend to focus on the manufacturing output of Holden's, particularly once the company commenced production of motor car bodies. Norm Darwin and Don Loffler both write about these early years, but focus on the vehicles, the production processes and the personalities involved. This gap in the historiography raises the question of why research and study of these fields have not been attempted before. Holden's had formed as a business in 1856 and began production of motor car bodies in 1917. One reason for the gap, perhaps, is that over the next hundred years, until the cessation of production in October 2017, the focus of historians and writers has been on the vehicles. There is also a tendency for historians (most of whom are automotive historians) to treat the early years of Holden's simply as a period that led up to the expansion into motor car bodies and is quickly skirted over.

This separation between the pre-motor car body and motor car body production period is problematic. While the separation makes for simplicity in the narrative of the company's history, many of the concepts and practices of the business, such as management, production innovation and employee treatment are not similarly delineated. The introduction of the production of the motor car bodies in 1917 altered some of the manufacturing processes, but in other areas,

such as management practices, little changed. This preference amongst historians for what appears to be a form of compartmentalization, does the history of Holden's a disservice. By creating such a division, historians have inadvertently formed a narrative that has two companies – one that was formed as a leathergoods manufacturer by James Holden in 1856 and the other that commenced production of motor car bodies in 1917. This approach overlooks much of the progress that the company had made in manufacturing processes and management practices from its inception.

By observing the history of the company as a whole, rather than as two distinct periods, a better understanding of the reasons the company progressed as it did can be achieved. The transition of the company into motor car body production (here production means producing goods in quantity and similarity, rather than simply making) can be seen as a natural progression from coachbuilding. As motor cars overtook carriages as the favoured means of transport, coachbuilders the world over transferred their manufacturing skills to the building of bodies for cars. The transition moment for the study of Holden's is, in my opinion, the merger between Holden's and General Motors and the creation of GM-H. This turning point was the one that ultimately saved the company from bankruptcy and projected the new company, GM-H, on the path to become the largest car manufacturer in Australia. So, while the transition point at the introduction of motor car body building in 1917 has served automotive historians in the past, the more appropriate turning point, for this thesis, is the merger in 1931.

This chapter has three main purposes. Firstly, it will provide a discussion of the circumstances that led to the development and success of Holden's in

South Australia. This is important in order to establish the context necessary to understand Holden's role in the state's largest secondary industry. Secondly, this chapter examines the establishment and development of trade unions in South Australia and their interaction with Holden's. Like Holden's, trade unions began humbly and developed as the state grew. Thirdly, it traces the impact of the introduction of the *Conciliation and Arbitration Act* in 1903 and the 1907 Harvester Judgement. This structure enables me to highlight the importance of Holden's as a manufacturer in South Australia and its engagement with trade unions through the framework of federal legislation and legal judgements.

The discussion in this chapter explains the background of events and decisions that resulted in Holden's entry into motor car body building. As mentioned above, it does not treat the 1917 entry into motor body building as the commencement point for the narrative. Rather, it is the beginning of a period of manufacturing a different product. Holden's made the decision and transition into motor body building as a progression from of its previous practices of identifying and taking advantage of opportunity and innovative manufacturing. The identification of opportunities will be demonstrated through decisions that directly impacted manufacturing, such as business location and the 1917 government embargo on motor bodies. Innovative business practices will be shown in the company's ability to diversify its manufacturing, particularly during times of hardship, and, after the move into body building, implementation of best practices, such as standardisation.

Simultaneous with Holden's development was that of the trade union movement. A brief overview of the emergence and growth of unions in South Australia and reaction by employers will be discussed. This section will then

investigate the unions involved at Holden's, their development and the impact of the growth of the motor body building industry. Holden's attitude toward unions will be discussed, highlighting the company's atypical approach to trade unions, a central tenet of this thesis.

The chapter will conclude with an exploration of the introduction of new industrial relations legislation following Federation. The *Conciliation and Arbitration Act 1904* drastically changed industrial relations throughout Australia. The compulsory nature of the legislation was designed to avert strikes and industrial unrest through negotiation between employers and unions. The first important adjudication of the new Commonwealth Court of Conciliation and Arbitration was the 1907 Harvester Judgement. This decision introduced a living wage that was the precursor for future negotiations between Holden's and its unions.

Success through innovation and opportunity

Business success can be measured in numerous ways. Profitability, sustainability and expansion are all hallmarks of business success. One Australian company that achieved these indicators of success was Holden's. From humble beginnings in Adelaide, when recent emigrants from England James Alexander Holden, accompanied by his cousin, Edwin Talbot Smith, opened shop in 1856, the business grew to become one of Australia's largest companies. The success of the enterprise was based on James Holden's background as a leather goods manufacturer, which he had learnt from his father in Walsall, Staffordshire

(renowned in England for its leather goods and lorinery).[3] When James left home in 1851 at the age of sixteen, following an argument with his stepmother, he went in search for gold in the United States before arriving in South Australia in 1852.[4] Four years later, Holden and Talbot Smith opened a leather goods store.[5] The decision to enter into business was timely as the demand for leather goods in the colony increased, particularly following pastoral expansion from 1857. Although Smith left the business to open a brewery,[6] Holden continued trading under J.A. Holden from premises at the busy intersection of King William, Rundle and Hindley Streets.[7] Soon to be synonymous with quality leather goods, Holden's took advantage of opportunities as they arose while also being innovative in management and manufacturing, allowing the company to overcome financial difficulties and achieve great success.

James Holden's business acumen was a reflection on his upbringing. James's father, Edward, had been a successful leather goods manufacturer, and had provided James, according to Nancy Buttfield, with an example of commercial aptitude and industriousness.[8] The decision to enter into business in 1856 reflected James's business acuity. The colony of South Australia, having passed its period of initial trouble, had commenced growing. In 1857 the colony

[3] Joan Hancock and Eric Richards, 'Holden, Henry James', *Australian Dictionary of Biography*, Vol 9, (Melbourne: Melbourne University Press, 1983), http://adb.anu.edu.au/biography/holden-henry-james-6704. Accessed 2 February 2015.
[4] Nancy Buttfield. *So Great a Change: The Story of the Holden Family in Australia* (Sydney: Ure Smith, 1979), 8. The *Australian Dictionary of Biography* has his arrival as 1854 as does 'The Holden Saga', *The Victorian Historical Magazine* 38 (1967): 42-59, however other Holden historical material has him arriving in 1852.
[5] Ewan Kennedy and Alistair Kennedy, *The Holden Heritage* (Melbourne: Public Affairs Department, General Motors-Holden, 1998), 16.
[6] 'The Holden-Smith Family', *The Advertiser* (Adelaide), 19 June 1947, 2.
[7] The premises were situated across from Beehive Corner on the Rundle Street side.
[8] Buttfield, *So Great a Change*, 10.

attained self-government and sold about five million acres of pastoral land. Alongside the growing population of people was the expanding number of horses and draught animals. The *Commonwealth Year Book*, published in 1908, states the number of horses in the colony in 1860 at just over 49,000, and by 1865, 74,000.[9] The number of colonists had grown from 63,700 adults in 1851 to 163,452 a decade later.[10] The increased horse population required lorinery, harnesses and associated hardware, and represented great potential for leather goods traders.

The choice of location for his fledgling business proved fortuitous for James Holden. Selecting premises at the hub of commercial activity in Adelaide, provided high exposure for the business. Such was its success, the firm moved to larger premises in King William Street in 1865, just eight years after opening for business.[11]

James Holden's opportunities were not limited to his business enterprise. He also devoted time to activities to improve the colony. He was a member of the Royal Agricultural Society and a founding member of the Chamber of Manufacturers. Formed in April 1869, the Chamber, the first of its kind in Australia, was established to address the colony's economic limitations and dependence on primary industries, such as wheat, wool and copper.[12] This problem of reliance on primary industry for the financial success of the colony

[9] G.H. Knibbs, *Official Year Book of the Commonwealth of Australia*, (Melbourne: McCarron, Bird & Co, 1908), 281.
[10] G.H. Knibbs, *Official Year Book of the Commonwealth of Australia*, (Melbourne: McCarron, Bird & Co, 1910), 133.
[11] 32 King William Street, corner of Apollo Place.
[12] Derek Whitelock, *Adelaide: A Sense of Difference* (Melbourne: Australian Scholarly Publishing, 2000), 218.

was to be on going and was only fully addressed during Thomas Playford's premiership after the Second World War. As a manufacturer, James was eager for the expansion of local secondary industry that could supply his growing business, reducing freight costs from inter-colonial suppliers, improving production times, and increasing profitability.

A new business opportunity arose when the Australian colonies volunteered troops for service in the Second South African War (1899-1902). Government demands for saddlery and harness equipment were enormous, as the troops being sent were mounted. Of the 9,000 orders for harnesses placed by Victoria and New South Wales, 1,000 went to Holden's. Henry Holden, James's son, constructed a separate factory for mass production in a large shed near his Norwood home in the city's eastern suburbs. There he personally trained new staff, mainly women, in the improved methods of manufacture. The turn around of the order – the time between the order being placed and delivery – was so rapid that the Melbourne and Sydney firms had barely commenced their orders when Holden's delivered theirs. Due to the speed of production and delivery, another one thousand saddles and bridles were ordered followed by a further one thousand.[13] Such was the demand that the company had to turn away local orders.[14] At the conclusion of the war in 1902, orders continued for the newly formed post-Federation Department of Defence.[15] These Defence contracts broadened at the outbreak of war in 1914 when Holden's constructed new

[13] Buttfield, *So Great*, 117.
[14] Letter from Holden & Frost to S.C. Lock, 20 December 1899, SLSA BRG 213/1/2/6.
[15] Book of contracts, National Archives of Australia: Military Forces of the Commonwealth (Defence); B6548; Book of contracts, special warlike stores, 24 May 1905 Item: 1., Book of contracts, 1905.

premises to fulfill harness orders. By this time, Holden's had become a major employer in Adelaide and a substantial contributor to the state economy.

As the war entered its third year, parliamentarians in Britain and Australia called for greater sacrifice.[16] New South Wales Senator, Sir Albert Gould, demanded Australians emulate Britain and 'inculcate in our people the desirability of doing without many of those luxuries which they enjoy at present'.[17] The Senator's statement followed calls by the Protectionist Association and newspaper reports of Australian imports amounting to millions of pounds. They argued that the money used to pay for these imports should have been diverted to the war effort.[18] Tariffs were proposed to reduce the demand for imports.

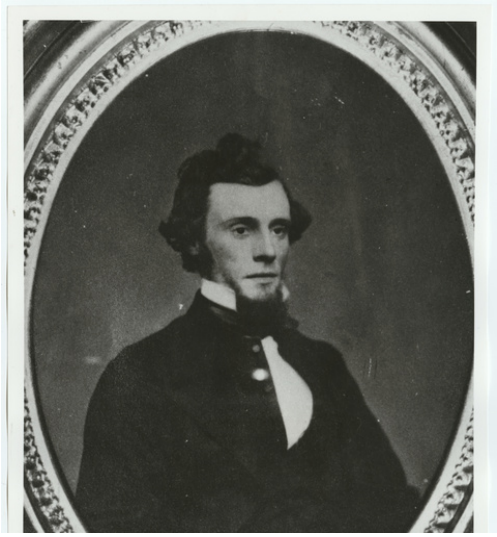

Figure 1.1: James Holden, c 1856,
Source: SLSA.

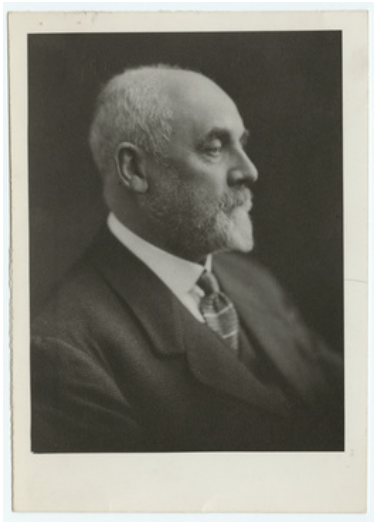

Figure 2.1: Henry Holden, 1923,
Source: SLSA.

[16] Michael Ware, *Veteran Motor Cars* (Risborough: Shire Publications, 2003), 30.
[17] *Commonwealth Parliamentary Debates* (Senate), 2 March 1917, 10854.
[18] 'Australia's Greatest Need', *The Age* (Melbourne), 9 February 1917, 8; 'The Growth of Imports', *The Age* (Melbourne), 2 February 1917, 9; 'Control of Shipping', *Daily Herald* (Adelaide), 26 February 1917, 6; 'Our Increasing Imports', *Sydney Morning Herald*, 4 June 1917, 6.

The 1917 federal government embargo on complete motor cars provided Holden's a unique opportunity. During the federal parliament debate on the Customs Tariff Validation Bill, the concept of the cessation of motor car importation was raised. Parker Moloney, Labor Member for Indi (Victoria), agreed with a deputation of manufacturers associated with the motor car industry that argued a reduction in imports would support local manufacture and provide greater employment.[19] This was appropriate timing, as imports from Britain had been curtailed due to the war and while most cars were coming from the US, their importation meant a move away from preferential trade with Britain. A reduction on fully assembled cars, it was argued, would also conserve shipping capacity.[20] By August 1917 the tariff changes, prohibiting the importation of motor vehicle bodies, were finalised in Parliament.[21] Reaction from importers was swift. The Minister for Trade and Customs, Jens Jensen, received deputations from importers who argued that their businesses would suffer. Jensen responded by stating that the Australian-made product was as good as that imported and that it was in Australia's interest to manufacture locally.[22] This embargo presented an opportunity for local motor car body builders to expand their existing market and others to enter.

The move into motor car body building appeared as a natural progression for many coachbuilders. Henry Holden's son, Ted, had been an early evangelist of the new motor car. A graduate of science and engineering from the University of

[19] *Commonwealth Parliamentary Debates* (House of Representative), 13 March 1917, 11303.
[20] 'The Suggested Motor Car Embargo', *The Daily Mail* (Brisbane), 7 March 1917, 4; 'The Threatened Embargo', *Referee* (Sydney), 21 March 1917, 13; 'Cycle and Motor Notes', *Critic* (Adelaide), 21 March 1917, 27.
[21] *Commonwealth of Australia Gazette*, 10 August 1917, 1641.
[22] 'Motor Body Trade', *The Register* (Adelaide), 30 August 1917, 5.

Adelaide, Ted convinced his father to send him overseas to investigate the developing motor industry. On his return, Ted began taking orders for hoods and side curtains for cars, as well as doing repairs. Henry was pleased with the results and expanded the business into building motorcycle sidecars. The logical step was to scale up to make bodies for new motor cars. His first motor car body was for the licensee of the Parkside Hotel in 1914, followed by two others.[23] The production process was laborious using carriage-building methods and techniques.[24] To maximize the opportunity to explore new business, Holden's joined with the experienced Adelaide representative for Dodge Motors, Sydney (Bert) Cheney. Together they drew up plans to design and build bodies for Dodge chassis.[25] The public received the design enthusiastically. The Adelaide *Register*'s journalist wrote that the Dodge 'was fitted with an Australian-made body, the lines of which were particularly pleasing, and the finishing and furnishings left nothing to be desired'.[26] Demand was strong, which led Henry to purchase the local body building firm, F.T. Hack Limited.[27]

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[23] Buttfield, *So Great*, 185. At the Automotive Historians Australia second annual conference held in Adelaide in September 2017, Holden historian Norm Darwin presented a paper that queried the validity of Buttfield's claim. Darwin argued that there was no conclusive evidence supporting Buttfield's claims that motor bodies had been made by Holden's before 1917. He used company advertising material stating that production began in 1917 and a lack of evidence in contemporary newspapers as proof of his argument. Darwin's argument, that Buttfield, a family member, 'flavoured' her history is certainly valid, however, the detail of Buttfield's account supporting her claim appear equally true. Where Darwin argues that there is no evidence until 1917, he may be confused with actual production. Before 1917 the company had made 'one-offs' that could not be classified as production. It was not until the 1917 embargo that the company decided to enter the volume market and begin what would be classified by a manufacturer as 'production'.

[24] Kennedy and Kennedy, *Heritage*, 17.

[25] L.J. Hartnett, 'Cheney, Sydney Albert', *Australian Dictionary of Biography*, Vol. 7, (Melbourne: Melbourne University Press, 1979), http://adb.anu.edu.au/biography/cheney-sydney-albert-5574. Accessed 3 February 2016.

[26] 'Cheney Motor Company Limited', *The Register* (Adelaide), 15 September 1917, 7.

[27] Buttfield, *So Great a Change*, 186.

As argued above, the embargo on imports in 1917 was a pivotal moment in the history of Holden's. Without the embargo local motor body builders would have faced difficult competition from overseas manufacturers producing on much larger scales and more cost effectively. In *Industrial Development in Australia 1920-1930* (1964), Colin Forster argued that Holden's 'grasped the opportunity provided by the import embargo' through 'brilliant management by both the Holdens, father and son'.[28] While this observation presented the Holdens in a positive light, it omitted the work completed by Cheney, the consummate salesman. Cheney, with his retail contacts, promoted the new motor bodies that Holden's were producing, overcoming buyer concerns about a new, untried product. The result was nothing short of incredible. From producing 64 bodies in 1917, in just two years it had built 2,120.[29] Holden's had seized the opportunity presented by the government embargo and, with the aid of Cheney's knowledge and connections, entered a new era of manufacturing.

Innovation was a hallmark of Holden's in its early years and remained so. In order to better control the expanding business, James Holden decided to separate his retail and manufacturing operations. The new manufacturing branch entered the wholesale market, selling goods to other retailers throughout the colony and achieving greater market reach. Entering into a partnership with Alfred Birks, son of a well-known Adelaide chemist, the new enterprise opened in December 1871.[30] According to newspaper advertising at the time, the retail

[28] Colin Forster, *Industrial Development in Australia 1920-1930* (Canberra: Australian National University Press, 1964), 41.
[29] 'Where South Australia Leads', *The Register* (Adelaide), 27 May 1919, 2; 'A Growing Industry', *The Advertiser* (Adelaide), 27 May 1919, 10.
[30] 'J. A. Holden & Co.', *The South Australian Register*, 8 December 1871, 1.

company, known as Holden & Birks, was formed 'for the purpose of retailing all kinds of harness, saddlery, whips &c'.[31] The company's substantial 108-page illustrated catalogue from 1872 featured a range of goods, manufactured or retailed, including saddlery, sports goods, gun cases, boxing gloves and personal wear. Hardware and consumables, such as oil and grease for carriages, and lighter equipment, like whips and hunting crops, were also available.[32]

During periods of financial constraint, Holden's created partnerships to ensure the company's continued existence. The drought and economic downturn of the late 1870s was the first period that Holden's had to explore alternative financing arrangements. Economic contraction throughout the colony was severe and resulted in bankruptcies and bank failures. In 1875, the partnership with Birks was dissolved and the business was renamed J. A. Holden and Company. While business improved over the next decade, another economic contraction in 1884 severely impacted on James's health, which made him give up his business activities,[33] and forced the sale of the substantial family home and property in the Adelaide suburb of Kensington Park.[34]

To prevent liquidation of the company a partnership was negotiated. Henry Frost, a wealthy German immigrant and carriage builder, was brought into the business in 1885 which secured on going trade. Frost had emigrated from Hamburg with his family in 1830 and later established a successful harness and carriage-making firm on Yorke Peninsula. His finances shored up the business,

[31] 'Holden & Birks', *Evening Journal*, (Adelaide), 30 January 1872, 3; 'Holden & Birks', *The Express and Telegraph*, (Adelaide), 30 January 1872, 3.
[32] Frank S. Daley, 'The Holden Saga', *The Victorian Historical Magazine* 38 (1967), 45.
[33] 'The Late Mr. J. A. Holden', *Evening Journal* (Adelaide), 2 June 1887, 2.
[34] 'For Sale, Kensington Park', *The South Australian Register*, 26 January 1884, 7.

which was renamed Holden & Frost, reflecting Frost's input. As the business grew with the manufacturing of motor car bodies, the company required restructuring. Under the advice of friend and stockbroker, Charles Irwin, a limited liability company was formed in May 1918 with a new division named Holden's Motor Body Builders (HMBB). Henry was appointed Governing Director, Ted, Managing Director and Irwin, Finance Director. The new company reflected the changing nature of the business and the innovative practices of Holden's.

Sentimentality did not feature in Holden's business practices once it decided to focus manufacturing on motor car bodies. When it became clear that the future lay with motor car bodies, the company was effectively divided. . The body building was wholly transferred to a newly constructed factory on a two hectare site in King William Street in 1919, and the existing company of Holden & Frost remained in the leather business before being sold to Harris Scarfe Limited four years later.[35] This pragmatism and foresight was evident when a new site was required as the King William Street premises reached capacity. In 1923 Henry Holden's youngest son, Bill, despatched on a motorcycle, was given the task of discovering a new site that was at least five hectares, near to a railway line and close to Port Adelaide. The proximity to a railway and port facilities reflected the proportion of interstate sales. Land was purchased at western Adelaide suburb of Woodville and construction began immediately. Output was forecast to be 25,000 bodies per annum, but further growth was planned if

[35] 'Holden & Frost Business Acquired by Harris Scarfe', *The Advertiser* (Adelaide), 29 May 1923, 9.

necessary.[36] By this stage, the company had also expanded into every mainland state with assembly and distribution plants, reflecting the breadth in demand for the Holden product.

Best overseas manufacturing practices were investigated and implemented by Holden's. The advantages of overseas inspection tours were particularly important as Australian manufacturing was not as developed in producing vehicle components as its counterparts in Europe and the US.[37] Henry Holden was the first to travel overseas on a tour of inspection in 1885, spending twelve months in Europe and England to expand his manufacturing knowledge and build business connections.[38] Ted Holden conducted a similar tour in 1908 and, while investigating trends in leatherworking, he also looked at motor car bodies and their production.[39] When Bill joined the company in 1919, he too travelled overseas. Bill conducted a study of management and marketing techniques in the US and was greatly influenced by the Ford Motor Company's precedent of self-reliance through vertical integration.[40] Using these concepts, Holden's purchased a timber mill in 1921 and installed other labour saving devices.[41] Such devices included a revolving cage that held the motor body while being spray-painted and a production line that reduced build time to five man-

[36] See 'Holden's Motor Body Works', *The Register* (Adelaide), 3 July 1923, 11.
[37] Charles Baldwin, 'Automotive Market of Australia', Trade Information Bulletin, No 611, US Department of Commerce, Bureau of Foreign and Domestic Commerce, 1929, 39.
[38] Buttfield, *So Great a Change*, 80.
[39] Buttfield, *So Great a Change*, 181.
[40] Vertical integration is the combination of two or more companies at different stages in the value chain to provide greater profitability and steadiness of supply. For example, Ford purchased forests, riverine transport and milling firms to supply their timber requirements.
[41] 'Governor Visits Factory', *The Mail* (Adelaide), 11 June 1921, 20.

hours. With these improvements and ever increasing demand, Holden's grew to be the largest motor body builder in the British Empire outside of Canada.[42]

Drawing from overseas concepts, standardisation of body building was implemented. By using standardised parts and processes, Holden's could manufacture bodies faster and more competitively while improving profitability.[43] A company advertisement from 1922 highlights the importance of high quality materials and workmanship, but also 'the fact that the whole of the vast works have been standardised and specialised in every conceivable direction'. These, and the 'tireless energy and vigorous application of exceptional brain power', were reasons for Holden's success.[44] A newspaper article in the Melbourne *Argus*, published in 1922, reports on the 'first Australian triumph for standardisation in body-building' at Holden's. While reporting on the advances of Holden's in the manufacturing process, the article also speaks of the economic importance of the company and its growing input into the national economy.[45]

The greatest challenge faced by Holden's was the impact of the Depression. The period leading up to the Depression had been one of spectacular growth in the motor body building business. Assisted by tariff protection, the industry, by 1927-1928, had made approximately 60,000 motor bodies per annum. This growth was reflected in the number of factories that produced or repaired motor bodies. In the 1926 *Commonwealth Yearbook*, the federal

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[42] 'Holden's Motor Body Works', *The Register* (Adelaide), 3 July 1923, 11; 'Holden's Mammoth Works', *The News* (Adelaide), 6 August 1923, 11; 'Huge Industry', *The Mail* (Adelaide), 26 August 1923, 1; 'Holden's Need Bigger Works', *The Advertiser* (Adelaide), 2 October 1923, 18.

[43] Evidence of E. W. Holden, SA Royal Commission on Manufacturing and Secondary Industries, 1st Progress Report (The Leather Trade), SA Parliament and Papers, 1926, vol 2, para 53.

[44] 'A Triumph of Standardised Body Building', Holden's advertising, SLSA BRG 213/1/3/4/4.

[45] 'Body Building Standardised', *The Argus* (Melbourne), 28 March 1922, 4.

statistician recorded the 'cycle and motor works' industry for the first time, noting it had 'made rapid progress in recent years owing to the increasing use of motor-propelled vehicles'.[46] The number of factories in this initial report was 69 in South Australia, but by the next year it had grown to 131.[47] Although this figure looks impressive, it must be viewed with the understanding that this encompassed all aspects of the industry, including motorcycles. In 1928, the industry was separated into motor cars and motorcycles, with the result that accuracy in reporting was improved. South Australia's 12 manufacturers may have amounted to less than 10 per cent of the national total, but the value of the state's output was £244,578 of £793,403 nationally, representing 30 per cent.[48] The impact of the Depression was reflected in local output falling from a peak of 88,876 bodies in 1926-1927 to 6,323 in 1931-1932. Holden's business paralleled these statistics and, as demand plummeted, sales fell drastically, resulting in Ted Holden taking extreme measures.

Facing the possibility of bankruptcy, Ted Holden was forced to think of alternatives for the survival of Holden's. The need for action was brought about by Holden's growing reliance on one buyer – General Motors. By August 1929, GM accounted for over 60 per cent of Holden's output of motor bodies, so when all GM orders were cancelled the shock to the company was great. Although Ted reassured shareholders at the annual general meeting that month that the

[46] Charles Wickens, *Commonwealth Yearbook 1926*, (Canberra: Commonwealth of Australia, 1926), 818.
[47] Charles Wickens, *Commonwealth Yearbook 1927*, (Canberra: Commonwealth of Australia, 1927), 823.
[48] Charles Wickens, *Commonwealth Yearbook 1933*, (Canberra: Commonwealth of Australia, 1933), 695.

company was in a sound position, when Ford cancelled its orders in October there was no choice but to close the plant temporarily.

The severe economic contraction forced Holden's to implement extreme measures. Desperate to keep its workforce and machines busy, the company diversified, making everything from steel filing cabinets and golf club heads to wooden packing crates. However, despite these changes, the number of employees dropped from a peak of 2,203 in June 1929 to just 497 two years later.[49] In 1929, Ted travelled to Europe as the Australian employer representative at the Labour Conference of the League of Nations in France.[50] Also, under the guise of an inspection tour of overseas motor body builders, Ted met GM in the US to discuss the future of the South Australian company. Senior staff engineer, Frank Daley, who began work with the company in 1931, wrote in his unpublished manuscript, 'The Story of GMH', that Ted Holden gave 'no reason publicly' for his visit, but that 'some urgency underlay his decision' due to 'the increasing number of critical matters locally that claimed his attention'.[51] The 'critical matters' were the impact of the Depression, the cancellation of orders from GM and the expanded production facilities sitting idle.[52]

The selection of GM to come to the aid of Holden's was a sensible choice for Ted Holden. Since GM chose Holden's to produce their motor bodies locally in 1924, the US maker had been pleased with the results and a sound business relationship developed. With the knowledge that rival manufacturer Ford was to

[49] Jim Moss, *Sound of Trumpets: History of the Labour Movement in South Australia* (Adelaide: Wakefield Press, 1985), 308.
[50] See 'Expenditure Must Be Cut', *The Advertiser* (Adelaide), 22 September 1930, 9.
[51] Frank S. Daley, 'The Story of GMH', unpublished manuscript, (1961), SLSA BRG 213/89/5.
[52] Kennedy and Kennedy, *Heritage*, 20.

commence works in Australia to avoid tariffs, GM prepared a report into the viability of assembly operations in Australia. The report stated 'that we have gotten as far as it is possible for us to get in increasing our volume on the basis of our present distributor system'.[53] The report highlighted that the size of land that Ford had purchased indicated that the company planned 'to go into manufacturing in Australia not only in body building but on other elements of the car'.[54] For Ford, it was apparent that the Australian market would prove profitable enough to justify the establishment of full manufacturing facilities. In 1926, the year following the report, General Motors Australia was formed with headquarters in Melbourne and assembly plants in each mainland capital city.[55] Initial sales were good, but were soon affected by the economic recession.

GM decided to accept Holden's offer for two reasons. It provided the US company further expansion into the Australian market, particularly once the economy recovered, and allowed GM to use cash reserves in Australia that had been frozen by the Australian government. In 1930, Graeme Howard, president and general manager of General Motors Overseas Operations (GMOO), produced an internal report arguing that the purchase would be beneficial for GM. Foremost, GM would be able to 'transform itself from the unpopular and unstable position of a foreign exporter assembling chassis units' to establish 'itself in the

[53] General Motors (Australia) Pty Ltd Report on Australian Operations, nd, SLSA BRG 213/1/13/1.
[54] General Motors (Australia) Pty Ltd Report on Australian Operations, nd, SLSA BRG 213/1/13/1.
[55] 'General Motors', *The Brisbane Courier*, 8 May 1926, 9; 'General Motors', *The West Australian*, 13 May 1926, 5; 'General Motors', *The Sun* (Sydney), 24 May 1926, 11; 'New Motor Move', *The Herald* (Melbourne), 6 May 1926, 7; 'General Motors to Organise in Australia', *The Advertiser* (Adelaide), 9 May 1926, 19.

character of an important and large Australian industry'.[56] This was particularly important in a market that was Anglo-centric, such as Australia. It would also circumvent Australian tariff policy that was introduced to aid the development of a local motor car industry. The purchase ensured protection of body supply and through the diversity brought on by the Depression, such as producing packing crates, offered alternative income.

The purchase of Holden's by GM was an opportunity that was unlikely to be repeated. Howard stated that it was 'a propitious moment' and that it was 'extremely improbable that a second opportunity may reoccur whereby General Motors will be able to purchase Holden's Motor Body Builders Ltd for 63% of its net worth'.[57] He concluded his report by stating that there was a moral responsibility to Holden's, as GM was 'largely responsible for the development and investment which the Holden shareholders have incurred. Sixty per cent of Holden's past, present and future volume is General Motors'. Howard likened the arrangement to a common law marriage, where 'divorce would be almost equally ruinous' to both parties.[58] The second factor for GM's decision was the cessation of international currency transfers by the Australian federal government. Profits that GM had made in Australia could no longer be remitted to the US, resulting in little return. Howard, concerned over the movement of the Australian pound,

[56] An analysis of the advantages resulting from acquisition of Holden Motor Body Builders Limited as reported by Graeme K Howard in support of his recommendation, December 1930, SLSA BRG 213/1/13/1.
[57] An analysis of the advantages resulting from acquisition of Holden Motor Body Builders Limited as reported by Graeme K Howard in support of his recommendation, December 1930, SLSA BRG 213/1/13/1.
[58] An analysis of the advantages resulting from acquisition of Holden Motor Body Builders Limited as reported by Graeme K Howard in support of his recommendation, December 1930, SLSA BRG 213/1/13/1.

decided to use the money to purchase tangible assets.[59] It seemed both advantageous and appropriate for GM to purchase Holden's, fulfilling Ted Holden's desire to ensure the continued survival of his company.

Trade unions, South Australia and Holden's

This section will investigate the development of trade unions in South Australia and, specifically, their role at Holden's. The earliest trade union activity in the colony will be briefly explained as will the specific unions for coachbuilders. Paralleling the changing nature of the coachbuilding industry, unions at Holden's altered from craft unions to catch-all organisations. The main unions, and Holden's interaction with them, will then be discussed and the development of their ongoing relationship.

Labour legislation and trade unionism occurred early in colonial South Australia. The first legislation covering labour practices, *An Act for the summary determination of all disputes between Masters and Servants* (better known as the *Masters and Servants Act*), was passed by the Council of South Australia and the colony's governor in January 1837. This Act, which threatened imprisonment for those who withdrew their labour, was rejected by the Privy Council in Britain on the grounds that it was too restrictive.[60] However, a modified Act was put into force from 1841. While the *Masters and Servants Act* was being altered, the first union activity began in the building trades. In April 1839, an advertisement appeared in the *Southern Australian* newspaper for a meeting of the South Australian Builders' Trades' Union Society to discuss 'matters of great

[59] Hartnett, *Big Wheels*, 50.
[60] See 'Acts of Council', *South Australian Gazette and Colonial Register*, 8 December 1838, 2.

importance'.[61] The following month, the *South Australian Gazette and Colonial Register* reported, that the builders had held another meeting 'to consider the propriety of establishing a book of process, for the better regulation of the price of labor'.[62] Trade unionism in the colony had commenced.

The negative reaction by employers caused immediate approbation. In April 1847 pastoralist and mine owner, Captain Charles Bagot, introduced the *Ordinance to Amend the laws relating to Masters and Servants* bill into the Legislative Council.[63] The proposed Bill drew immediate negative reaction. The *Adelaide Observer* wrote that the 'new Act is ostensibly intended merely to protect the interests of the employer whilst it pretends to do justice to the employed'.[64] A public meeting at Glen Osmond in 1847, which consisted mainly of miners, expressed their views. As reported in the *South Australian Register*, 'an old colonist', said that

> he never anticipated that the legal enactments of the "free province" of South Australia would be of such a character as to render it necessary for the working men, here, to meet expressly for the purpose of raising their voices against, and denounce any measure of the Government.[65]

The opposition was great enough for Governor Robe in the Legislative Council to announce that he would 'prefer a little more time before bringing it again under discussion'.[66] However, despite the opposition, the Bill was reintroduced into the

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[61] 'South Australian Builders' Trades' Union Society', *The Southern Australian*, 3 April 1839, 1.
[62] 'All Those Connected with the Building Line', *South Australian Gazette and Colonial Register*, 4 May 1839, 5.
[63] 'Masters' and Servants' Act Amendment Bill', *South Australian*, 9 April 1847, 2.
[64] 'The New Masters' and Servants' Act', *Adelaide Observer*, 10 April 1847, 4.
[65] 'The Peoples' Meeting at Glen Osmond, to Oppose the Masters' and Servants' Act', *South Australian Register*, 8 May 1847, 1.
[66] Quoted in 'Legislative Council', *Adelaide Observer*, 8 May 1847, 2.

Legislative Council and passed in July 1847.[67] The legislation was later revoked following the introduction of the *Trade Union Act* in 1876. This latter Act, the first instituted by an Imperial government outside of Britain, legitimized trade unions and brought them under legislative control.[68] According to legal historians W.B. Creighton, W.J. Ford and R.J. Mitchell, the colonial trade union legislation was integral in the creation of Australian labour law.[69] Registered unions were able to enforce restrictive trade conditions, and recognition brought stability and promoted membership.[70]

With trade unionism legislated, the next step was for the unions to join collectively. In February 1884 sixteen unions joined together to establish the United Trades and Labor Council (UTLC).[71] The Council, drawing on the British precedent, was to further the interests of working men and, through communication with other councils, discover where labour was needed, thus reducing unemployment.[72] Six years later membership had grown to 54 unions, representing approximately 90 per cent of the unions in the colony.[73] The development of trade unions and the UTLC ensured members a greater degree of security within their wage negotiations and a stronger sense of employment safety, holding to the union adage of 'In Union is Strength'.

Like other large manufacturing firms, Holden's had a variety of unions representing its workforce. The most powerful union in the motor vehicle

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[67] See 'Passed During the Present Session', *South Australian*, 27 July 1847, 3.
[68] *Trade Unions Act 1876* (SA), s13.
[69] W. B. Creighton, W. J. Ford and R. J. Mitchell, *Labour Law: Text and Materials* (Sydney: Law Book Company, 1989), 7.
[70] John Wanna, 'Trade Unions', in *The Wakefield Companion*, 551.
[71] Rod Felmingham, '"To Unite More Closely": The First Year of the South Australian United Trades and Labor Council', *Labour History* 45 (1983), 17.
[72] See 'United trades', *Adelaide Observer*, 9 February 1884, 33.
[73] Wanna, *Wakefield Companion*, 551.

manufacturing industry was the Vehicle Builders Employees Federation of Australia (VBEF). The union began as the Coach-Makers' Society, with branches in each colony. The Melbourne *Age* reported that the Victorian society was formed in May 1857, so coachmakers could have 'a society for the purpose of carrying out any object that concerned the trade as a private body, and also for the purposes of aiding in any general movement of the operative classes'.[74]

South Australian coachmakers did not form a society until the late nineteenth century. In a meeting, held in September 1883, which discussed tariffs to reduce imports of coach bodies, a proposal was unanimously passed for the creation of a trade society.[75] The next year the Society of Coachmakers was formed 'for the mutual advantage of masters and men'. The Secretary, W. A. Robinson, during the society's inaugural meeting, stated that the 'Society was not an aggressive or defensive one, but a protective one to themselves against loss'.[76] In 1908, the Society joined two other unions to form the Amalgamated Coachmakers', Rolling Stock, and Wheelwrights' Society of South Australia.[77] Following a proposal from the Victorian branch, a meeting was held in Melbourne in January 1913 that resolved to form 'a federation to include coachbuilders and motor car and other rolling stock makers, under the name of the Australian Coachmakers' Employees Federation'.[78] Other colonies and states followed later, which resulted in the establishment of the Australian

[74] 'Trades' Association', *The Age* (Melbourne), 2 May 1857, 5.
[75] See 'Latest News', *Evening Journal* (Adelaide), 7 September 1883, 2.
[76] Quoted in 'S.A. Society of Coachmakers', *Evening Journal* (Adelaide), 27 November 1884, 3.
[77] See 'Coachmakers' Society', *The Express and Telegraph* (Adelaide), 29 January 1908, 4.
[78] Quoted in 'Coachmakers' Employes [sic]', *Daily Herald* (Adelaide), 3 January 1913, 2.

Coachmakers' Employes' (sic) Federation in January 1913.[79] The outbreak of war delayed the implementation of the federation until 1917 when it was federally registered as the Coach, Motor Car, Tram Car, Waggon Builders, Wheelwrights, and Rolling Stock Makers Employes' [sic] Federation. This rather long title was extended to include Aircraft workers in 1930. During the Federal conference held in 1938, the executive decided that the Coach, Motor Car, Tram Car, Waggon Builders, Wheelwrights, and Aircraft Rolling Stock Makers Employes' Federation was 'a long and involved title when it comes to signing or filing documents' so adopted the simpler Vehicle Builders Employes' Federation (VBEF).[80] From then on, with, according to Robert Tierney, 'the complicity of the major car companies', the VBEF dominated trade unionism in the motor vehicle industry.[81] For workers, it meant joining one of the largest and most powerful unions in the country, while for Holden's it meant greater industrial harmony and simpler negotiations.

From the outset, the VBEF, in the tradition of its previous incarnations, was conservative and consistently concerned with the protection of the coachbuilding industry. The first annual report of the organization, presented in 1884, stated that the 'most important duty of the society … was to endeavor to procure a protective tariff on all imported vehicles to encourage coachbuilding'.[82] At the first annual dinner of the Society of Coachmakers, held at the Plough and Harrow Hotel in Rundle Street in November 1884, the vice

[79] See 'Trade and Labour', *The Journal* (Adelaide), 3 January 1913, 2.
[80] Quoted in 'Vehicle Builders Want to Change Their Name', *The News* (Adelaide), 9 August 1938, 1.
[81] Robert Tierney, 'Immigration and Production Line Margins in the 1950s Vehicle Building Industry', *The Journal of Industrial Relations* 36 (1994), 18.
[82] Quoted in 'Coachmakers' Federation', *The News* (Adelaide), 22 November 1928, 24.

president, E. Amey, spoke of the insufficiency of tariffs. He argued that a 'protective tariff duty should be placed on goods which could be manufactured in the colony'.[83] At that meeting William Mattinson, Member for Port Adelaide, responded to the concern by saying that 'though not a Protectionist, he had been in favour of protecting native industries' and since he had been in Parliament he supported local industries, such as the manufacture of railway carriages.[84] Unions would consistently pressure parliamentarians and work with employers to ensure tariff protection for their industry.

Tariffs were to feature prominently throughout Holden's existence as a car maker. The first protective tariffs on the coachbuilding industry were implemented in the *Customs Act* of 1851. Carts and drays attracted a 10s duty, wheeled wagons and timber carriages a 20s duty and all other carriages 10 per cent duty.[85] Subsequent amendments included an all-encompassing 10 per cent duty on 'Vehicles of every description' in 1876,[86] increased to 15 per cent in 1885.[87] The tariff increases paralleled the expansion of the local coachbuilding industry and if threatened with any reduction drew the ire of the Society. In 1885, a vigorous correspondence raged in the daily newspapers after the Governor, Sir William Robinson, imported a new carriage from England, displaying, according to the *Adelaide Observer*, 'a callous indifference to the present depressed state of trade in the city'. Although it was stated that it was the Governor's prerogative to purchase his carriage from where he chose, the

[83] Quoted in 'S.A. Society of Coachmakers', *Adelaide Observer*, 29 November 1884, 31.
[84] Quoted in 'S.A. Society of Coachmakers', *Evening Journal* (Adelaide), 27 November 1884, 3.
[85] *Customs Act No 4 of 15 1851* (Vic).
[86] *Customs Act No 34 of 39 and 40 1876* (Vic).
[87] *Customs Act No 348 of 48 and 49 1885* (Vic).

decision was injudicious.[88] In 1891, concerns were raised within the Society over evasion of tariffs 'by bringing buggies into the colonies in parts and having them put together' and that it was 'an injustice to the trade'.[89]

The Coachmakers' worries were not alleviated after Federation. At a Tariff Commission sitting in Sydney during April 1906, Thomas Armfield, representing the Society, called for duties of varying amounts plus a percentage on coaches, hoods and bodies. He stated that the 'importation of parts was detrimental to the interests of the workers. They were put together and then sold as locally made'. He said that this situation meant that 'there was no chance of boys becoming competent hands. They simply qualified themselves to put together the parts that were made in other countries'.[90] This concern over the importation of parts reflected the local industry's desire to grow. For unionists, imported product meant a reduction in the possible employment of labour, particularly if they were used as assemblers rather than skilled workers. For motor body builders and their suppliers, it meant a lessening in demand for their locally-produced output. Like the Governor's choice of an imported coach, there remained (and continued to remain for decades to come) a 'cringe' with regard to locally made goods. This was not limited to motor car bodies, but all goods, where those made in Britain, or other countries for that matter, were seen as superior to anything produced in Australia.

As the motor car industry expanded, business, unions and government addressed individual concerns about future growth. In August 1917, the Minister

[88] See 'The Tariff in Committee', *Adelaide Observer*, 26 September 1885, 25.
[89] Quoted in 'Trades Societies', *The Express and Telegraph* (Adelaide), 20 March 1891, 4.
[90] Quoted in 'The Tariff Commission', *The Advertiser* (Adelaide), 7 April 1906, 7.

for Trade and Customs, Jens Jensen, as mentioned above, tabled amendments to the Customs Act in federal Parliament that made 'Bodies for motor vehicles, whether imported separately or forming part of a complete vehicle' to be classified as luxuries.[91] Reaction from car importers was immediate. A deputation met Jensen days after the announcement urging that 'in consequence of the shortage of material and the necessary labour' orders placed before the announcement should be allowed.[92] This request was expanded the next month to enable the deputation to organize the body building industry, once more claiming a shortage in materials and labour.[93] These requests led to a strong union response. A deputation representing the various trades involved in motor car body building gave Jensen a counter-request that the embargo on motor body importation should not be lifted.[94] The Coachmakers' Union, in particular, endorsed the move, citing an increase in demand for labour.[95] Jensen, believing that the local manufacturers 'could turn out in Australia an article quite up to the imported standard', confirmed the import restrictions. He argued that the government 'had to look at the matter not only from a financial and commercial standpoint, but also from the Australian point of view'.[96] In this instance, the war and its subsequent impact on trade, transferring imports from Britain to the US, gave the government a reason to implement trade restrictions. For the importers of complete cars and car body parts for local assembly, this meant a sharp

[91] *Commonwealth Parliamentary Debates* (House of Representatives), 10 August 1917, 1020.
[92] Quoted in 'Motor Car Bodies', *The Telegraph* (Brisbane), 16 August 1917, 14.
[93] 'Prohibition on Car Bodies', *Weekly Times* (Melbourne), 8 September 1917, 23.
[94] 'Motor-Car Bodies', *The Argus* (Melbourne), 30 August 1917, 5; 'No Foreign Motor Bodies', *Evening News* (Sydney), 30 August 1917, 5; 'Embargo on Motor Bodies', *Daily Telegraph* (Sydney), 30 August 1917, 6; 'Motor Bodies', *Brisbane Courier*, 30 August 1917, 5.
[95] See 'Motor Body Industry', *Daily Herald* (Adelaide), 28 August 1917, 4.
[96] Quoted in 'Motor Body Trade, *The Register* (Adelaide), 30 August 1917, 5.

reduction in trade. Their protest was limited, and based on an allowance for existing orders, due, possibly, to wartime conditions. For the local body builders and their employees this was a greater level of protection that benefited the industry and provided the impetus for expansion.

As the union adapted to the new industry circumstances, it continued to ensure protective measures for its members. Previously, the coachbuilders were craftsmen, but imported bodies that were assembled locally could be built by semi-skilled workers. This change in manufacturing process was reinforced with the introduction of the assembly line by Ford Motor Company in the US, which broke down skilled tasks that could be completed with semi-skilled or unskilled workers. In South Australia, as Holden's introduced the assembly line system in 1924, the union agreed to the employment of these workers in exchange for a closed shop, an over-award payment and their membership. Unskilled workers were then trained, not as tradesmen, but to complete specific production tasks.[97] Ted Holden later said that the company had 'really broken down the skill required by sectionalizing the work, so that there was no extreme amount of skill required' and acknowledged 'the assistance of the Union'. The reason given by Holden was that 'there was not a sufficiency of skilled men available for this class of business in Australia'.[98] At this stage, women workers were not allowed, as their employment was seen as 'detrimental' to the male workers.[99] For the union, the agreement gave preference to members, provided freedom to recruit

[97] Colin Forster, *Industrial Development in Australia, 1920-1930* (Canberra: Australian National University Press, 1964), 41.
[98] Evidence of E. W. Holden in August 1929 at Commonwealth Arbitration Court, *Aust Coachmakers etc Federation & Holden's and Others (re standard hours),* 319.
[99] Wanna, *The Politics of Organised Labour*, 253.

members from new company employees and if they did not join the company would recommend them to do so. The final clause of the agreement covered piece work, to which the union was opposed, that made the company 'agree to observe the principal of Day work'.[100] For the company, the agreement supplied amicable resolution in 'the event of any dispute or misunderstanding' and 'its officers and members do all that is possible to prevent any industrial unrest or dislocation of work through any action of its members'.[101] This negotiation produced what Wanna has labelled the 'paradigm of consent', whereby industrial unrest was curtailed through close management-labour relations, unique to South Australia.[102]

The union's principles were cemented at the 1919 federal conference. Held in Brisbane in November 1919, the fourth conference established four objectives:

> To maintain, preserve, and advance the trade interest and rights of employees engaged in the trade, business or calling, as set out in the Constitution.
> To establish Branches and Sub-Branches throughout the Commonwealth.
> To prevent strikes, and lock-outs between the members of the Federation and their employers, and to promote industrial peace by all amicable means.
> To establish a fund for the purpose of carrying out on the work or business of the Federation.[103]

[100] Day work here means no shift work.
[101] Text of Agreement: Holden-Coachmakers Employees' Federation, 21 February 1918 (in Wanna, PhD, Appendix VIII).
[102] John Wanna, 'A Paradigm of Consent: Explanations of Working Class Moderation in South Australia', *Labour History* 53 (1987): 54-72.
[103] 'Report of the Proceedings of the Fourth Federal Conference', Brisbane 17-21 November 1919, 3.

With the *Conciliation and Arbitration Act* firmly in the background, the union's mandate reflected the legislation. The objectives, especially the promotion of industrial peace 'by all amicable means', formed the basis of future dealings with companies, particularly Holden's.

The Coachmakers' Union had developed into a 'company union', one that was often encouraged by companies to prevent militant union action. Labour historians Rae Cooper and Greg Patmore, state that the Australian version of company unionism 'involved workers forming unions with management encouragement and obtaining registration within the compulsory arbitration system'.[104] This development ensured a labour force that was kept from industrial action through better conditions or over award wages. However, the Coachmakers' exclusivity of supplying labour was challenged by the Amalgamated Engineering Union (AEU) in 1925. Following a conference with the Industrial Registrar, Holden's, the coachmakers' and engineering unions in Melbourne, an agreement was reached that resolved a demarcation issue. The engineering union argued that it was in the best position to provide unionized engineering labour,[105] rather than the Coachmakers' Union.[106]

The actions of the AEU may have reduced the Coachmakers' Union power base, but it did not go unchallenged. In 1928 the AEU's right to supply skilled labour, granted three years previously, was attacked by the Coachmakers.

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[104] Rae Cooper and Greg Patmore, 'Private Detectives, Blacklists and Company Unions: Anti-Union Employer Strategy & Australian Labour History', *Labour History* 97 (2009), 5.

[105] It must be noted that the use of the term 'engineer' should not be mistaken with those with tertiary qualifications, such as mechanical, civil and electrical engineers. Rather the term follows the British precedent of an engineer being a trade-qualified worker, such as a toolmaker or die setter. It remains common practice in the UK today for a motor mechanic to be called an 'engineer'.

[106] See 'An Engineer's Agreement', *The Register* (Adelaide), 18 September 1925, 8.

Despite their attempts to control large sections of the labour force, by 1933 the union had little choice but to accept that they no longer held total control over labour supply, particularly as the company had created positions for semi-skilled workers on the assembly line. Thus the position of the Coachmakers' Union had slightly diminished and those of the AEU and the Australian Society of Engineers (ASE) increased. These changes reflected the altered nature in the motor body building industry away from traditional coachmaking methods. With the increase in output and commensurate changes in die and tooling requirements, the engineering unions grew. The Coachmakers' Union (later the VBEF, as noted above) continued to be a conservative union, but rather than just focus on skilled workers, it would become a catch-all organisation that included skilled, semi-skilled and unskilled labour, as well as foremen, supervisors, inspectors and clerks. Although the union dominated the industrial relations scene at Holden's, always accounting for over 90 per cent of the workforce, membership numbers dwindled during the Depression when the company drastically reduced in size.

Aggressive recruiting of skilled and unskilled workers was used by the AEU to increase membership. AEU historian, Tom Sheridan, has written that the 'acceptance of less skilled workers by a union hitherto confined to the craftsmen-aristocrats of the engineering world drew comment from outsiders'.[107] This was highlighted in 1920 during the union's first Commonwealth arbitration case of *Amalgamated Society of Engineers and the Adelaide Steamship Company*, better known as the Engineers Case.[108] During proceedings, a lawyer for the defence

[107] Tom Sheridan, *Mindful Militanst: The Amalgamated Engineering Union in Australia, 1920-1927* (Cambridge: Cambridge University Press, 1975), 18.
[108] *Amalgamated Society of Engineers v the Adelaide Steamship Company and Others*, High Court of Australia 54 (1920) 28 CLR.

remarked that the union 'must be getting down very much to have general labourers'.[109] In a political move, the union's members decided to affiliate with the federal ALP in 1923 to influence any future Labor government.[110]

A second metal trades-based union at Holden's was the Australasian Society of Engineers. Formed by disgruntled members of the AEU, the ASE was established during a noisy meeting held in the Temperance Hall in Sydney in February 1890. The motive for leaving the AEU was, according to the newly elected president, H. Goodene, to create a 'purely Australasian' union. At its initial meeting Goodene went on to state that although he respected the AEU as an institution, members could benefit from a new union 'to embrace engineers and all engaged in the iron trades'.[111] The union's motto, 'United to assist, not to injure', reflected its moderate stance.[112] The decision to create a new organization was to move away from the rules of the English society that demanded regular large contributions that returned good benefits, but many found difficult to ascribe to (particularly the cost impost). The result was a union that provided smaller benefits commensurate with its lower contributions. A South Australian branch was established in January 1904 and it kept close relation to its sister union. However, despite this close affiliation, the local state branch's attitude toward bargaining was, according to Malcolm Saunders and Neil Lloyd, 'markedly to the right of not only other metal trade unions but also

[109] Commonwealth Arbitration Court, *Amalgamated Society of Engineers v the Adelaide Steamship Company and Others* (1920-21) Transcript of evidence, 91.
[110] Sheridan, *Mindful Militants*, 81.
[111] Quoted in 'Australasian Society of Engineers', *The Australian Star* (Sydney), 6 February 1890, 3.
[112] See 'A Fine Banner', *The Register* (Adelaide), 1 September 1905, 4.

the ASE at the federal level'.[113] Although this bargaining position was to be the case in the future, the union initially had to compete with the AEU for members and recognition. As the state economy boomed in the mid-1920s, the membership increased commensurately.

Holden's workforce was dominated by three main unions: the VBEF, the AEU and the ASE. The intrinsically conservative nature of the VBEF and its dominance of the workforce, coupled with the similarly moderate ASE, resulted in relative industrial harmony at Holden's. This industrial peace was bolstered by better pay and, in many cases, improved conditions, which left few grievances for the unions. The goal of the company was to prevent any stoppages caused by industrial action, particularly as the nature of the assembly line was such that delays in one section could greatly impact on output of the entire plant.

Holden's treatment of unions and unionised labour was atypical of many larger companies at the time.[114] While many employers preferred open shops, where workers had the choice of union membership, Holden's actively engaged in negotiations with unions. Just a year after Holden's commenced production of motor bodies in 1917, the company entered an agreement with the Coachmakers Employees' Federation. This agreement ensured that there would 'be no Industrial unrest or trouble on the part of any of their members', in return for a preference of employment to union members. If labour was required, the company would approach the union to satisfy that demand. If the union could

[113] Malcolm Saunders and Neil Lloyd, 'The Australasian Society of Engineers in South Australia, 1904-68', *Labour History* 101 (2011), 125.
[114] For an overview with case studies (but not in the automotive industry) see Rae Cooper and Greg Patmore, 'Private Detectives, Blacklists and Company Unions: Anti-Union Employer Strategy & Australian Labour History', *Labour* History 97 (2009): 1-11.

not supply the required labour, Holden's was free to advertise. Subsequent clauses ensured that the workplace became a closed shop. Any new employee was to be approached by the shop steward to join and if they declined, the company was to

> notify such employee that they consider it advisable that the said Employee should become a member of the said Federation and shall also use their best endeavour to induce such Employee to become a member of the said Federation.[115]

By the mid-1920s the motor body building industry was expanding rapidly, attracting workers with the prospect of higher pay.[116] As the workforce grew, so too did the union. This growth was curtailed by the onset of the Depression in 1929, but resumed once the economic contraction passed and under the new ownership (as will be seen in Chapter Three). The precedent of union negotiation was set at this early stage by Holden's and continued until the end of production in Australia in 2017. Holden's major competitor, T.J. Richards & Sons, accepted trade unions in a similar manner. Adopting the federal award for its workforce and negotiating with the Coachmakers' Federation. The first instance of a closed shop in a Ford plant in Australia was not until June 1949. Following negotiations with the VBEF the company agreed to a condition of employment at the Broadmeadows plant that relevant personnel were to be union members.[117]

[115] Agreement between Holden & Frost Motor Car Body Builders and S.A. Branch of the Australian Coachmakers Employees' Federation, 21 January 1918, UM 101/37/V31.
[116] 'Coachmakers' Union', *News* (Adelaide), 21 December 1923, 6; 'Coachmakers', *Recorder* (Port Pirie), 21 December 1923, 1.
[117] 'Agreement on Union Labor', *Age* (Melbourne), 7 June 1949, 3.

Federation and a new approach to industrial disputes: The *Conciliation and Arbitration Act 1904* and 1907 Harvester Judgement

The handling of industrial disputes after Federation came under Commonwealth legislative jurisdiction. The *Conciliation and Arbitration Act* was the product of the need for industrial governance following major industrial disputes, such as the maritime strike in 1890 and the Broken Hill miners' strike in 1892. Legal reformers, such as Alfred Deakin, Charles Cameron Kingston and Henry Bournes Higgins, rejected the prevailing view that the state should only enforce freedom of the individual. These liberals did not want an end to the capitalist wage system but, according to Patmore, they desired a more equitable one that removed abuses.[118] While parliamentarians in separate colonies called for legislation for conciliation and arbitration, little was achieved before Federation.

The introduction of a constitution for the newly federated states included measures for conciliation and arbitration. Using Section 51 of the Australian Constitution, which empowers the Commonwealth Parliament to make laws with respect to 'conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State',[119] the *Conciliation and Arbitration Bill* was introduced into parliament by Charles Kingston, the Minister for Trade and Customs, in July 1903. Kingston was a strong supporter of the Bill, arguing in parliament that, having studied conciliation and arbitration in detail, he owed the legislation 'a loyalty which exceeds all other considerations'.[120] He had proposed a similar bill in the South

[118] Greg Patmore, *Australian Labour History* (Melbourne: Longman Cheshire, 1991), 102.
[119] *Commonwealth of Australia Constitution Act 1901*, (Cth), s. 51 (xxxv).
[120] *Commonwealth Parliamentary Debates* (House of Representatives*)*, 24 July 1903, 2613.

Australian parliament in December 1890 that, according to Patmore, was 'a clear departure from earlier legislative initiatives in Australia and overseas'.[121] Its distinction was that it allowed for the registration of trade unions that could effectively bargain collectively on behalf of their members. However, Kingston was unable to see the Bill through as ill-health forced his resignation soon after its introduction.[122] The chief concerns of the Act, as laid before parliament, were the formation of a national court of arbitration and conciliation to settle disputes; prevention of strikes; facilitating and encouraging the organisation of employees and employers; and aiding in the creation of industrial agreements between employers and employees in industrial disputes.[123] During the second reading of the bill in March 1904, Prime Minister Alfred Deakin argued that the purpose of the act was as much to combat 'the tyranny of trade unions – as it is to cope with the tyranny of employers'.[124] The result was a compulsory arbitration and conciliation system and a wages board.

The passing of the Commonwealth *Conciliation and Arbitration Act* resulted in a new national body to oversee arbitration and conciliation which impacted on unions and employers. South Australian Senator, Sir Josiah Symon, summarized the debate well when he said it had 'been fought over for two years, which nearly wrecked one Ministry, led to the retirement of a most valuable member of that Ministry, and wrecked two other Ministries'.[125] The Act was promulgated in

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[121] Patmore, *Australian Labour History*, 106.
[122] John Playford, 'Kingston, Charles Cameron (1850-1908)', *Australian Dictionary of Biography*, (Canberra: Australian National University, 1983), adb.anu.edu.au/biography/kingston-charles-cameron-6966/text1209. Accessed 17 October 2017.
[123] *Commonwealth Parliamentary Debates* (House of Representatives*)*, 30 July 1903, 2860-2861.
[124] *Commonwealth Parliamentary Debates* (House of Representatives), 22 March 1904, 764.
[125] *Commonwealth Parliamentary Debates* (Senate*)*, 8 December 1904, 8089.

1904 and established a Commonwealth Court 'having jurisdiction for the prevention and settlement of industrial disputes extending beyond the limits of any one State'.[126] Permanent state tribunals were created with provisions to register trade unions and hear their grievances. Employers and unions could bring the other party before the tribunal. Unions would present employers with a log of claims that could be accepted partially, in full, or rejected. This would lead to an industrial dispute and the Court would arbitrate with the result being an industrial award. The wages boards were made up of an equal number of employee and employer representatives and overseen by a chairman. Unlike the conciliation and arbitration process, there was no registration system and the wages board had the power to review the minimum wages periodically without the trigger of an industrial dispute.[127] If the discussion resulted in equal votes then the chairman would have a casting vote.

The new, national system of compulsory conciliation and arbitration affected the governance and structure of trade unions. Smaller unions that oversaw weaker sectors of the workforce were protected. Being national legislation, the Act encouraged unions to federate and lodge claims in the Commonwealth Arbitration Court.[128] Larger unions became committed to the arbitration process and, in order to continue using the process, absorbed smaller, more militant unions. As greater time was spent preparing and delivering arbitration cases, union governance became more centralised. Militancy from rank and file was curtailed through the Act by threats of penalties

[126] *Commonwealth Conciliation and Arbitration Act 1904* (Cth), s2.
[127] *The Factories Amendment Act 1900* (SA), s13.
[128] Patmore, *Australian Labour History*, 121.

and deregistration.[129] Militancy, particularly at Holden's, was to remain suppressed for over fifty years.

The formation of employer associations followed a similar pattern to that of the trade unions. Employer associations, and chambers of manufacturers, had formed in every colony before Federation. According to Patmore, such groups 'were anti-Labour and used political lobbying and legal action to limit the impact of compulsory arbitration and wages boards'.[130] The Employers' Federation, as reported in the Adelaide *Advertiser*, had formed a Central Council in early 1904 that 'intended to take a defensive rather than an offensive attitude in industrial disputes, and to be a non-political body'.[131] However, as Commonwealth legislation appeared to the employers against their self-interest, the Council presented 'a petition to the Senate against the Compulsory Arbitration Bill, on the ground that as present drafted it is an invasion of States rights'.[132] These remonstrations proved fruitless once the legislation was passed. The industrial landscape of Australia had been permanently changed.

The Harvester Judgment, in 1907, was the first significant adjudication of the Commonwealth Court of Conciliation and Arbitration and established a basic, living wage. On appointment as president of the Commonwealth Court of Conciliation and Arbitration, Justice Henry Higgins set about establishing the tenets for a worktime standard and basic wage.[133] He achieved this by deciding whether the employees at the Victorian Sunshine Harvester Company were

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[129] *Commonwealth Conciliation and Arbitration 1904* (Cth), s48 and s60.
[130] Patmore, *Australian Labour History*, 121.
[131] 'Federated Employers' Council', *The Advertiser* (Adelaide), 5 November 1904, 10.
[132] Quoted in 'Employers' Federation', *Evening Journal* (Adelaide), 12 September 1904, 1.
[133] Chris Nyland. 'Scientific Management and the 44-Hour Week', *Labour History* 53 (1987), 21.

receiving a fair and reasonable wage as legislated under the New Protection laws. He calculated the cost of living for a family of five and concluded that seven shillings a day should be the minimum wage for an unskilled worker.[134] The judgement created the first living wage in the world and placed the family at the centre of wage fixation. While certainly not legislating an overly generous wage, the judgement's significance rests with its principles that endorsed humanitarian ideals. However, this also entrenched an ongoing gender divide over pay. As will be discovered below in Chapter Three, this division was challenged by women workers at plants such as Holden's during the Second World War. The New Protection legislation was later repealed, but Higgins maintained the Harvester Judgement as inviolable.[135]

The Harvester Judgement marked a significant shift in industrial relations in Australia. According to High Court Judge Michael Kirby, the decision 'helped weld Australia together, contributed to a national economic structure and protected our largely egalitarian society'.[136] Higgins's decision, supported by the *Conciliation and Arbitration Act*, paved the way for future negotiations between unions and employers. What the judgement implicitly endorsed was the federal government's desire to create an egalitarian working environment in the newly federated states. In Holden's case, the judgement was the precursor of future specific award negotiations that were copied by other large employers nationally.

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[134] See 'M'Kay's Harvester Works', *The Age* (Melbourne), 9 November 1907, 20.
[135] John Rickard, 'Higgins, Henry Bournes', *Australian Dictionary of Biography*, vol. 9, (Melbourne: Melbourne University Press, 1983), http://adb.anu.edu.au/biography/higgins-henry-bournes-6662. Accessed 12 September 2017.
[136] Quoted in John Lack and Charles Fahey, 'The Industrialist, the Trade Unionist and the Judge: The Harvester Judgement of 1907 Revisited', *Victorian Historical Journal* 79 (2008), 4.

Conclusion

When Ted Holden departed for the US and Britain in 1930 he did not inform anyone of his true intention. With the Depression causing massive contraction in business activity, and after various attempts to provide work for the company's employees, from making steel filing cabinets to wooden packing cases, Holden's had little choice but to reduce staff drastically. Aware of their inability to move funds from Australia and the knowledge of Ford's intention to open a local assembly plant, Ted's most sensible choice was to approach GM. Having 'entered into common law marriage' with Holden's, GM saw the opportunity to purchase the controlling interest in a local body building concern that would be an addition to its overseas firms in Britain and Europe. Negotiations concluded in February 1931 with the formation of General Motors-Holden's Limited (GM-H). Although it would be some time before the business returned to profitability, when it did so the results were spectacular and unprecedented in Australian corporate history. For trade unions operating at Holden's, as will be seen, this was to be a period of great expansion and, at times, conflict.

This chapter has established the context in which Holden's engaged with its trade unions for mutual advantage. By examining the situation leading up to the merger of Holden's and General Motors in 1931, it has outlined the development of Holden's as a company, of trade unions in South Australia, and of the industrial relations environment. The importance of Holden's as an employer and manufacturer has been shown through the company's identification of opportunities and innovative manufacturing and management practice. The growth of trade unions related directly to Holden's operations, has demonstrated

that from an early stage they worked to benefit themselves and, sometimes inadvertently, their employer. The attempts to introduce tariffs on the products made by members of the coachbuilders' union in 1884 set a precedent that continued until the demise of Holden's manufacturing in 2017. The post-Federation conciliation and arbitration legislation established a framework for unions and employers to engage in negotiation. The Harvester Judgement established, for the first time in the world, a minimum, living wage. Of importance for this thesis was Holden's taking the opportunity of embracing trade unionism and the closed shop. The company's early adoption of unionism in its factories was unusual among larger employers. However, Holden's saw the advantage that dealing with one main union brought: simpler negotiation and less industrial unrest. How that relationship developed following the formation of GM-H will be explored in the rest of this thesis.

Chapter 2

Tom's Vision: Secondary industry development in South Australia and Holden's contribution, 1901-1958

'industry and enterprise would be stimulated for the well-being of the community'[1]

In an election policy speech given in March 1944, South Australian Premier, Thomas Playford, spoke of his Government's desire to 'oppose all unnecessary forms of bureaucracy, restriction and regimentation … so that industry and enterprise would be stimulated for the well-being of the community'.[2] He continued by stating that it 'will be the aim of my Government to assist all secondary industries to regain normal peacetime production' and that aid would be available 'to avoid any hiatus in factory employment'.[3] Although he was not the originator of the concept of an expanded secondary industry in South Australia, Playford understood its value,[4] and, once he became premier in 1938, and during the Second World War, he worked hard to see its fruition.[5] South Australia was to be transformed from a predominantly primary industry producing state to one that was to manufacture many of the best-known brands

[1] 'Big State Expansion Plans Outlined', *The Advertiser* (Adelaide), 31 March 1944, 5.
[2] Quoted in 'Big State Expansion Plans Outlined', *The Advertiser* (Adelaide), 31 March 1944, 5.
[3] Quoted in 'Big State Expansion Plans Outlined', *The Advertiser* (Adelaide), 31 March 1944, 5.
[4] Michael Stutchbury, 'The Playford Legend and the Industrialization of South Australia', *Australian Economic History Review* 24 (1984), 1.
[5] Dean Jeansch, 'The Playford Era' in *The Flinders History of South Australia: Political History* (Adelaide: Wakefield Press, 1986), 250.

of consumer durables for the country in the postwar period. Holden's became the dominant employer and manufacturer in South Australia after 1945.

This chapter argues that Holden's was the cornerstone of secondary industry growth in South Australia. It does this by making four main points. Firstly, it explains the development of secondary industry in South Australia and its increasing importance to the state's economy. While post-Federation secondary industry development continued strongly in the eastern states, South Australian industry lagged behind. The increased governmental role in the establishment of secondary industry began following a Royal Commission in 1926. Instrumental in improved industrial development were the Premier, Thomas Playford, and his auditor general, J.W. Wainwright, particularly after the Depression. Secondly, the chapter explores the role of Holden's during the Second World War. This highlights the importance of the company and its personnel to the war effort. Thirdly, it examines the impact of postwar planning and decentralisation of industry. For South Australia, the federal government's decision to move industry from the eastern seaboard as a defensive measure for any future conflict proved valuable to industrial growth. Companies that would have historically established factories in New South Wales and Victoria, built them in South Australia. Finally, the chapter discusses Holden's postwar role in the development of secondary industry, specifically the introduction of the all-Australian car. It provides an example of the growth of Holden's during the postwar boom period and the company's expansion to new, larger facilities in Elizabeth. The chapter argues that Holden's was the cornerstone of that growth and was essential to South Australia's industrial economic expansion. The role of

trade unions, particularly at Holden's, during this period will be analysed in the Chapter Three.

Secondary industry in Australia: the impact of Federation and war

Federation prompted renewed interest in industrial growth in Australia. The removal of intercolonial tariffs, what the Victorian Premier, James Service, called 'the lion in the path' of federation, resulted in free trade between the Australian colonies.[6] Federation was also infused with a sense of optimism, with the promise of a new start at the beginning of the new century.[7] Local manufacturers were supported by campaigns to purchase Australian-made consumer goods. For economic historian Helen Hughes, the expansion of manufacturing output and employment was 'the most striking feature of the post-federation years'.[8] Her statement is supported by Commonwealth statistics. In 1901, approximately 197,000 workers were employed in just over 11,000 factories in Australia. By 1911, this figure jumped to 286,000 employees in just under 14,000 factories.[9] In the period leading up the First World War this expansion continued, though it was concentrated in the states of Victoria and New South Wales.

Import limitations occasioned by the First World War presented Australian manufacturers with an opportunity to expand operations. Following the outbreak of war, the steel industry grew rapidly as demand for steel and iron

[6] J.A. LaNauze, *The Making of the Australian Constitution* (Melbourne: Melbourne University Press, 1972), 11.
[7] Helen Irving, 'Making the Federal Commonwealth, 1890-1901'. In *Cambridge History of Australia* (Melbourne: Cambridge University Press, 2013), 247.
[8] Helen Hughes, 'Federalism and Industrial Development in Australia', *Australian Journal of Politics and History* 10 (1964), 328.
[9] G.H. Knibbs, *Official Yearbook of the Commonwealth of Australia 1901-1911* (Melbourne: Commonwealth Bureau of Census and Statistics, 1912), 536.

products for war expanded. The fulfilling of military orders, for goods such as clothing and saddlery, led to an expansion of those industries, if to the detriment of others. But the implementation of tariffs in 1917 on goods deemed as luxuries, was to benefit local secondary industry the most. In the year following the tariff, the total value of factory output in the Commonwealth increased by 10 per cent. The increase is more dramatic when looked at over the period of the war during which time factory output grew by 33 per cent.[10]

The war highlighted to the Commonwealth government the dangers and weakness of import reliance. Between 1914 and 1918, overseas supply of capital and equipment almost ceased entirely. With a post-war influx of goods, rising unemployment levels, and the goal of industrial autarky, the federal government developed new policy to protect and nurture secondary industry. Tariff protection, such as the Australian Industries Preservation Act, was introduced in 1921 to support secondary industry, particularly textiles. For historian Colin Forster, writing in 1964, the decade of the 1920s marked the 'opening of a new phase in Australian development'.[11] As agricultural mechanization increased, the numbers of workers seeking employment in urban areas grew. Government policy sought to find work for these unemployed workers through the encouragement of urban manufacturing facilities.

The need to improve secondary industry became apparent to the South Australian government from the mid-1920s. A Royal Commission was called for in July 1925 by Harry Dove Young, Member for Murray, to 'enquire into the

[10] G.H. Knibbs, *Official Yearbook of the Commonwealth of Australia 1901-1911* (Melbourne: Commonwealth Bureau of Census and Statistics, 1921), 418.
[11] Colin Forster, *Industrial Development in Australia, 1920-1930* (Canberra: Australian National University Press, 1964), 5.

causes of the failure of the manufacturing and secondary industries of South Australia to compete, as regards costs, with other countries in which conditions of labour are similar'.[12] His call was ignored, but he reiterated it verbatim in November.[13] However, the following year, the issue of a commission was debated in state Parliament. The Treasurer, John Gunn, moved a motion for an amendment that any commission should 'be appointed to enquire into and report upon the extension of the manufacturing and secondary industries of South Australia'.[14] Following considerable debate, the amendment was carried and the Royal Commission announced. Referred to as the Secondary Industries' Commission and chaired by the Member for Port Adelaide, Frank Condon, its first decision was to 'deal with industries separately' and focus on 'the tanning and leather, and the boot and shoe manufacturing industries'.[15]

The commission's first witness was from the state's largest private employer, Holden's. Edward W. Holden began his evidence by stating that leather for upholstery and trim was an important material for the motor body building business, but he sourced his leather from Melbourne. When queried on the possibility of local production, Holden told the commission that, as his company's requirements were over £100,000 per annum, it was viable. He informed the commission that his motor body building business had grown from an output of two units in 1917 to 22,050 in 1924 with wages and salaries of £438,463 in 1923-1924 financial year. The motor bodies comprised 76 per cent

[12] Quoted in 'Another Royal Commission', *Observer* (Adelaide), 25 July 1925, 35.
[13] *South Australian Parliamentary Debates*, (House of Assembly), 18 November 1925, 1620.
[14] Quoted in 'Royal Commission Appointed', *The Advertiser* (Adelaide), 7 January 1926, 10.
[15] First Progress Report on the Royal Commission on Manufacturing and Secondary Industries (The Leather Trade) (Adelaide: Government Printer, 1926), 1.

Australian material of which a third was locally sourced. When queried over steel supply, Holden responded by saying that steel sheets for making panels were sourced from Lysaght's of Bristol in the United Kingdom, but the company's requirements did not warrant a local plant. Timber was sourced from Tasmania, as suitable material was not available locally. Holden was further queried over the likelihood of other materials being produced locally and agreed that much, such as pyroxylin enamel (a fast-drying one-coat finish to bare metal that could be applied by spraying or dipping) and malleable iron castings (used in place of steel at substantial cost savings which can be cast in complex shapes, being easy to machine and cheap to produce), could be produced in South Australia at lower costs.

The impact of wharfage charges were also raised by Holden. He stated that wharfage charges were high, as the company had to pay outward wharfage charges and an inward charge for goods from other states. He argued that the state government should have a uniform wharfage rate that aligned with the other states and if this could not be done he would have to ship the car bodies in a 'knocked down' form to be assembled interstate, thus reducing the need for local labour. On the port facilities, Holden said they were 'something awful'.[16] There was no shed for motor bodies to be stored and, with no gantries or cranes, the work of loading the bodies had to be done by hand. Asked whether his industry could expand, Holden replied that only through the easement of freight could this be achieved.

[16] First Progress Report, 4.

While Holden's was a success story, the commission's members were aware that South Australia's manufacturing industries were falling behind other states. According to the 1925 *Commonwealth Yearbook*, manufacturing in South Australia employed 37,275 people with a value output of £29,650,995.[17] Comparing South Australia, with 9.1% of the country's population and 8.5% output by value, with Victoria's 28.2% of the country's population and 32.7% output, it was evident that South Australia could expand its secondary industry.[18] The commission travelled throughout the state, hearing submissions as well as travelling to Victoria. By late 1927 the Government directed the members of the commission to submit a final report, though the commissioners felt more work was necessary to explore fully the state's secondary industry potential.[19] The outcome of the commission was four reports that dealt with the boot trade and tanneries, the management of wharves at Port Adelaide, the flour milling industry and the use of brown coal to create electricity production autarky.[20]

The outcome of the Secondary Industries Commission was a further indication of the need to expand secondary industry. In February 1928, the South Australian Chamber of Manufactures introduced the slogan 'Wherever we trade. Buy Australian-made' to promote Australian and, specifically, locally made goods. According to the Adelaide *Register*, the Premier, Richard Butler, 'heartily commended' the policy and stated that it 'should be practiced by every patriotic

[17] *Official Yearbook of the Commonwealth of Australia* (Melbourne: Commonwealth Bureau of Census and Statistics, 1925), 834.
[18] *Official Yearbook of the Commonwealth of Australia* (Melbourne: Commonwealth Bureau of Census and Statistics, 1925), 834 and 894.
[19] See for example 'Secondary Industries', *The News* (Adelaide), 17 December 1927, 2.
[20] E. Zalums, *A Bibliography of South Australian Royal Commissions, Select Committees of Parliament, and Boards of Inquiry 1857-1970* (Adelaide: Flinders University Press, 1976), 125.

citizen'.[21] Soon after this, Butler announced that he 'felt sure that the establishment of new industries and the further expansion of those already in existence would do much to solve the unemployment problem', but added that it would best be done without government aid.[22] Concurrently with the Secondary Industries Commission, Butler led another commission into the 'disabilities suffered by South Australia under Federation'.[23] Completed in July 1928, the report claimed that the state had a case for a special grant from the Commonwealth since tariffs had aided the development of secondary industries in all states while 'the great cost of developing her primary industries has been almost entirely borne by South Australia'. It went on to observe that

> since Commonwealth legislation has fostered secondary industries at the expense of primary industries it follows that it has benefited most those States which for various reasons have been able to take advantage of such legislation in order to expand their secondary industries.[24]

Butler created the State Advisory Committee on Finance to prepare the state's case to the Federal Parliamentary Committee on Public Accounts. Presented to the Commonwealth Parliament in June 1931, the report recommended a grant for £1 million after reviewing the parlous economic position of the state. In federal parliament, Charles Hawker, member for the South Australian seat of Wakefield, argued that though 'the residents of industrialized areas have felt the depression severely, they have not felt it to the same extent as those engaged in

[21] Quoted in 'The Premier's Commendation', *The Register* (Adelaide), 29 February 1928, 11.
[22] Quoted in 'Assisting Industry', *The News* (Adelaide), 18 March 1929, 8.
[23] Quoted in 'State Commission's Findings', *The Register* (Adelaide), 12 July 1928, 9.
[24] See 'Commission's Findings', *The Register* (Adelaide), 12 July 1928, 9.

rural industries'.[25] This was a reference to his state's continued reliance on primary production.

The second progress report of the Royal Commission held the only finding that made any impact on Holden's. Edward Holden's argument that South Australian industry, and specifically Holden's, was at a disadvantage due to wharfage charges was addressed. In June 1927 the commission reported that the state government

> should take the earliest opportunity of bringing the principle of charging both outward and inward wharfage before a Premiers' Conference with a view to securing uniformity of policy on the part of all States; and that in the meantime, owing to the urgency of the matter, special consideration be given to the motor body building industry by removal of the present disability.[26]

Butler had the opportunity to press the state's case at the Premiers' Conference held in June 1928, but was, according to newspaper reports, unable to achieve little more than a 'pious resolution that the Governments should consider at the earliest moment, the imposition of outward wharfage on goods for interstate trade'.[27] This was an early indication of the influence a large employer could have on government policy and was to continue throughout Holden's manufacturing operations.

South Australian secondary industry development was severely affected by the Great Depression. Following the Wall Street crash in October 1929, South

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[25] *Commonwealth Parliamentary Debates* (House of Representatives), 31 July 1931, 4830.
[26] Second Progress Report by the Royal Commission on Manufacturing and Secondary Industries (Wharfage Facilities) (Adelaide: Government Printer, 1927), vi.
[27] See 'Premiers' Conference and Coal', *The Register* (Adelaide), 29 June 1928, 10; 'Premiers at Cross Purposes', *Observer* (Adelaide), 30 June 1928, 39.

Australia suffered the highest unemployment in the country. Commensurate with higher unemployment were lower wages: the average adult male weekly wage had dropped from 92 shillings in 1930 to 75 shillings in 1934, the lowest in Australia.[28] Recovery from the Depression was slow, and thus by 1935 state Auditor General J.W. Wainwright argued in his annual report that South Australia

> must in future have as the objective of her policy a greater development of secondary industries and less dependence upon exported primary products. There is no economic reason why this State should not have a greater share of secondary industries than she has today, and with reasonable encouragement by the State, the public, traders and the press, some thousands of persons now unemployed and a burden upon the State could become again independent people with money to spend, which would bring about still more employment and prosperity to all, and more revenue to the State, less expenditure on rations and reductions in taxation.[29]

The following year, in 1936, Wainwright's annual report reiterated his argument for secondary industry, stating that a

> well planned progressive policy, which will attract a fair share of expanding production in secondary industry, is more needed today than at any other time in the history of South Australia since Federation, and the united and enthusiastic support of all sections would lead to successful achievement.[30]

[28] *Official Yearbook of the Commonwealth of Australia* (Melbourne: Commonwealth Bureau of Census and Statistics, 1935), 365.
[29] *Report of the Auditor-General of South Australia*, Adelaide, 1935, 12.
[30] *Report of the Auditor-General of South Australia*, Adelaide, 1936, 6.

Image 2.1. J.W. Wainwright, member of state Finance Advisory Committee, 1930. Source: SLSA.

Wainwright was well positioned to influence government decision-making. Born in Naracoorte, South Australia in 1880, Wainwright was educated at schools that his father taught at before attending teachers' college. Rather than continue teaching, Wainwright joined the public service in 1908 becoming a clerk in the chief secretary's department. Due to his glass eye – the result of a childhood accident – he was refused service during the First World War. Attending evening classes, Wainwright completed a Bachelor of Arts and qualified as an accountant in 1922. By 1923 he was an inspector and, five years later, assistant auditor general. He was appointed to various committees and commissions into all aspects of the state economy. He sat on royal commissions into the railways (1930), electricity supply (1931), dairy produce (1933) and transport (1937). In 1935 Wainwright was appointed auditor general and would remain in that role until his retirement in 1945.[31] Mindful of interstate

[31] Hugh Stretton and Pat Stretton, 'Wainwright, John William (1880–1948)', *Australian Dictionary of Biography* (Canberra: Australian National University, 1990),

competition, Wainwright, according to Carol Fort, promoted close relations between government, employers and trade unions.[32]

Wainwright's call for a secondary industry policy was readily accepted by state politicians, manufacturers and trade unions.[33] When motor body builders T.J. Richards and Holden's contemplated moving operations interstate in May 1935,[34] the state government reacted swiftly. Wainwright was appointed to investigate the value of the industry to South Australia and 'to recommend action which might be taken to encourage the future development of the industry in this State'.[35] He was well placed to do so having been appointed to committees, commissions and as an economic adviser by both sides of politics. He was a believer in Keynesian economics and argued that state-owned enterprises, through diligent management, could be as profitable and efficient as privately owned businesses.[36] Outlined in his August report to government, Wainwright's concern about Holden's moving interstate appeared justified, particularly as the company had purchased land at Fisherman's Bend in Melbourne to construct a factory to build chassis and component parts.[37] To waylay Wainwright's fears, the managing director of Holden's, Laurence Hartnett, released a statement that

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http://adb.anu.edu.au/biography/wainwright-john-william-8945/text15721. Accessed online 23 July 2019.

[32] Carol Fort, 'John William Wainwright'. In *The Wakefield Companion to South Australian History* (Adelaide: Wakefield Press, 2001), 574.

[33] T.J. Mitchell, 'J.W. Wainwright: The Industrialisation of South Australia, 1935-40', *The Australian Journal of Politics and History* 8 (1962), 31.

[34] See 'Future of Motor Body Industry', *The Advertiser* (Adelaide), 11 May 1935, 15.

[35] Quoted in 'Enquiry into Motor body Industry', *The Advertiser* (Adelaide), 22 May 1935, 17.

[36] Hugh Stretton and Pat Stretton, 'Wainwright, John William', *Australian Dictionary of Biography* (Canberra: Australian National University, 1990). adb.anu.edu.au/biography/wainwright-john-william-8945/text15721. Accessed 22 August 2016.

[37] 'Portion Only of Holden's Plant to be Transferred', *The Advertiser* (Adelaide), 26 June 1935, 21; 'Fisherman's Bend Area', *The Argus* (Melbourne), 20 September 1935, 8.

the new factory 'would not affect the operations of the company's plant at Woodville, to any great degree'.[38] Edward Holden, chairman of directors, concurred when he addressed the Association of Charge Engineers during a dinner in June 1935. Holden said that he and the other South Australian directors were doing their 'best to keep the motor body building industry in South Australia' and that 'he would like to see South Australia a great motor-building centre, like Detroit in America or Coventry in England'.[39]

Wainwright's report highlighted the importance of the motor body building industry to the state. Tabled to Cabinet in August, the report stated 'that while the full effect on the State was practically incalculable it could be definitely established that the monetary loss would exceed £400,000 a year'.[40] While discussions between the government and the motor body builders continued, the New South Wales government was offering inducements, such as cheap land, to Holden's to transfer operations to that state.[41] Wainwright's initial report did not include any recommendations, but he held a conference of Cabinet ministers, representatives of Holden's and T.J. Richard's, shipping companies, the Coachmakers' Federation, Adelaide Electric Supply Company, the Railways Department and the Harbors Board, to discuss possible actions to retain the industry. In the 1935 Budget the state government reduced outward wharfage in October from six shillings and nine pence to nine pence, lowered company

[38] Quoted in 'Holden's Plans in Melbourne', *The Advertiser* (Adelaide), 6 June 1935, 17.
[39] Quoted in 'Mr. Holden "Anxious to Keep Industry Here"', *The Advertiser* (Adelaide), 26 June 1935, 21.
[40] Quoted in 'Prospects Brighter', *The News* (Adelaide). 29 August 1935, 1.
[41] See 'NSW Woos Car Body Industry', *The News* (Adelaide). 7 September 1935, 5.

taxation and negotiated lower electricity and gas charges.[42] This use of government incentives to retain or entice private companies has been an ongoing strategy throughout the latter twentieth century and remains a strategy of states today.

For Wainwright, the scare of the motor body building industry exiting the state was perfectly timed for the introduction of his industrial policy. The Adelaide *News* reported that the Chamber of Manufacturers believed the threat of the removal of the body building industry resulted in the public having a 'greater appreciation' of the 'value of manufacturing industries and that present and future Governments will be more sympathetic to the needs of secondary industries'.[43] Edward Holden commented 'that the concessions had relieved the burdens his firm had been carrying, and made it more possible to remain in South Australia'.[44] For Wainwright, the state could not rely on primary production and the solution to unemployment and state growth would be achieved through the expansion of secondary industry. Holden's political pressure proved fruitful, cementing the relationship between company and government. Later this relationship was to also include Holden's unions.

Between 1935 and 1940 the South Australian government worked hard to entice outside manufacturers to establish operations in the state. Many of the businesses targeted were associated with the steel or motor body building industries, such as Broken Hill Propriety Company Ltd (BHP), British Tube Mills and Imperial Chemicals Industries (ICI). In June 1936, Premier Butler met with

[42] See 'Outward Wharfage on Motor Bodies', *The Advertiser* (Adelaide), 2 April 1935, 16; 'Big Savings to Motor Industry', *The News* (Adelaide), 17 October 1935, 5.
[43] Quoted in 'Industry May Benefit', *The News* (Adelaide), 27 November 1935, 3.
[44] Quoted in 'Car Body Firms' Views', *The News* (Adelaide), 18 October 1935, 5.

W.L. Allen, director of Armco International Corporation, a subsidiary of American Rolling Mills, to discuss the possibility of constructing a steel rolling plant. As their largest customers – Holden's, Richards and Simpson – were in South Australia, Butler argued it was 'a cardinal point in South Australia's case for securing the mills'.[45] Part of the reason that Armco would entertain the idea of establishing manufacturing in Australia was due to the trade diversion policy of the federal government and the Empire preferential trade treatment under the Ottowa Agreement of 1932. However, Butler's efforts came to nothing as the state did not have the necessary raw materials to facilitate steel manufacture.[46] This was a blow for Holden's, as during this time it had suffered from sheet steel shortages brought about by British re-armament in preparation for war.[47]

Despite this setback, other companies established new production facilities. Australia's largest company, BHP, built a blast furnace in Whyalla to produce pig iron, drawing from iron ore deposits close by. Butler forecast that 'once a blast furnace has been established for the manufacture of pig iron, steel works ultimately follow. That is a natural corollary'.[48] British Tube Mills announced in June 1938 that it would build a tubular steel factory at Dry Creek, just north of Adelaide, on 40 acres of land sold to the company by the state government for £45 an acre.[49] The local representative for British Tube Mills, R.A. Beaufoy, commented that

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[45] Quoted in 'SA May Benefit By Steel Works', *The News* (Adelaide), 16 June 1936, 1.
[46] See '£1,000,000 Steel Mills Not For This State', *The News* (Adelaide), 29 April 1937, 9.
[47] Letter from John Storey, Director of Manufacturing, GM-H to T.W. White, Minister for Trade and Customs, 4 June 1936, NAA; Department of Trade and Customs; A425, Correspondence files, annual single number series, 1 Jan1905- Item: 1937/10898, correspondence files, 1 Jan 1935-11 Jan 1956; 1937/10898.
[48] *South Australian Parliamentary Debates* (House of Assembly), 12 October 1937, 1081.
[49] See 'Tubing Works at Dry Creek', *Chronicle* (Adelaide), 23 June 1938, 42.

> although South Australia was economically less advantageous as the venue for the industry than New South Wales would have been, the company had decided to come here to support the principle of decentralization and because of the special assistance and encouragement offered by the Government.[50]

Also, in June 1938, came the announcement of the expansion of ICI's involvement in the state. The company had previously established salt-fields to the north of Adelaide and with the new plant at Osborne would produce alkalis for industrial and domestic use.[51] Proactivity by the state government, coupled with incentives such as cheap land, secured these large manufacturers.

Secondary industry development in South Australia was not limited to big companies. Wainwright, aided by Legislative Council members Edward Holden and Keith Wilson, argued for the creation of an organization that could support small business enterprises. Their lobbying was successful and, in 1937, the government created the Industries Assistance Corporation of South Australia (IAC). On its introduction to parliament, Premier Butler argued that 'an inferiority complex in regard to secondary industries had developed in South Australia'.[52] He went on to state that many smaller businesses found it difficult to raise capital to upgrade equipment and, as other states had larger secondary industries, these businesses moved there with a subsequent population drift as well. Wainwright's work had proved that the IAC could assist smaller secondary industries by providing credit until they entered the market for further capital.[53]

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[50] Quoted in 'Tubular Steel to be Made Here', *News* (Adelaide), 13 October 1938, 21.
[51] 'Expansion of Chemical Works', *Advertiser* (Adelaide), 25 June 1938, 26.
[52] *South Australian Parliamentary Debates* (House of Assembly), 1 December 1937, 2047.
[53] *South Australian Parliamentary Debates* (House of Assembly), 1 December 1937, 2047.

Edward Holden was appointed a director, without remuneration, of the new commission, and said in the Legislative Council that although these business owners were 'good tradesmen they know nothing about factory organisation or finance and those are the things in which they need help'.[54] He went on to say that 'We hope that it will not be necessary to lend a great deal of money, but we can, I think, provide advice'.[55] This advice was accepted widely by small businesses and, by October 1938, the commission had received 35 applications for credit and approved 18.[56] In the IAC's second annual report, released in 1939 after the outbreak of war, the directors stated, presciently, that

> whether the war is of lengthy duration or not, great world changes are likely on its termination, and Australia should receive a considerable increase in population as a result. The secondary industries will play a very important part in the settlement of this extra population, and South Australia should equip itself with the object of securing a share of the increase.[57]

According to economic historian, T.J. Mitchell, it was impossible to make an assessment of the corporation's wartime work due to 'secrecy concerning individual firms', but many industries received valuable assistance.[58]

Wartime production saw an expansion of manufacturing capacity, primarily for weapons, ammunition and equipment that could not be provided by Britain.[59] Paul Hasluck, official historian of Australia's involvement in the Second World War, wrote that factories were retooled at government expense

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[54] *South Australian Parliamentary Debates* (Legislative Council), 2 December 1937, 2099.
[55] *South Australian Parliamentary Debates* (Legislative Council), 2 December 1937, 2099.
[56] See 'Assistance in 18 Cases', *The Advertiser* (Adelaide), 13 October 1938, 12.
[57] *Second Annual Report of the Industry Assistance Corporation of SA Ltd*, 1939, 5.
[58] Mitchell, 'Wainwright', 39.
[59] Gavin Long, *Australia in the War of 1939-1945: To Benghazi* (Canberra: Australian War Memorial, 1952), 27.

and workers retrained for the new work and, with many men leaving to join the armed forces, women were replacing them in the factories, though at much lower wage rates.[60] This alteration of the workforce was to have repercussions as many women demanded pay equality, as will be discussed in the next chapter. Holden's took the leading role in South Australia, converting their factories at Beverley to anti-tank gun production, at Woodville to aircraft fabrication and assembly and munitions, and at Birkenhead to munitions and boat building. For Holden's, the transition to manufacturing war materiel was uncomplicated due to the company's mass-production techniques and engineering skills and equipment. The company contributed in other ways as well. Laurence Hartnett, General Manager of Holden's, took on the role of Director of Ordnance Production in June 1940 alongside other industrial leaders, transforming Holden's from a peacetime to wartime manufacturer.[61]

Holden's and the Second World War: An arsenal for democracy

Holden's had previous experience in wartime production. We have seen that as early as the South African War the company fulfilled orders from the colonial governments and, after Federation, the newly formed federal government. However, it was not until the Second World War that Australian manufacturing, and Holden's especially, could provide most of the equipment required by the fighting forces. This section will investigate the important role that Holden's, and its personnel, assumed during the war in order to establish an understanding of

[60] Paul Hasluck, *Australia in the War 1939-1945: The Government and the People. 1939-1941* (Canberra: Australian War Memorial, 1952), 397.
[61] S.J. Butlin, *Australia in the War of 1939-1945: War Economy, 1939-1942* (Canberra: Australian War Memorial, 1955), 312.

the impact that the conflict had on the company. One of these impacts resulted in industrial action, which will be discussed in the case study in Chapter Four, and the other, which will be explored in detail in Chapter Three, was the employment of women. In this chapter we will see how the company, under the direction of Laurence Hartnett, transitioned from peacetime production. We will observe the federal government's role in rearmament in the lead-up to the Second World War and then look at Hartnett's role as Director of Ordnance Production. The chapter will also discuss Holden's contribution, and South Australia's specifically, to the war effort. Exploration of Holden's wartime activities provides a greater understanding of the postwar expansion of the company. The federal government's desire for autarky and local production of motor cars led to Holden's being — for a time — the most profitable company in Australia, a result that instigated industrial unrest amongst the workers of the company.

European rearmament programs during the 1930s prompted the Australian government to address its lack of preparedness for conflict. The Australian Council of Defence, under the Defence Act, implemented a recommendation from the 1926 and 1930 Imperial Conferences to establish a Principal Supply Officers' Committee (PSOC). For D.P. Mellor, official historian of role of science and industry in Australia during the Second World War, the committee, based on a British model and formed in 1933, was 'to advise the Council of Defence on measures designed to ensure that both government factories and commercial industry would be able to provide munitions' at a time of war.[62] By early 1936 it had become apparent that munitions supply would not

[62] D. P. Mellor, *Australia in the War of 1939-1945: The Role of Science and Industry* (Canberra: Australian War Memorial, 1958), 28.

be satisfied by government factories and the question of how commercial industry would be mobilized was raised by the POSC. In London, an Australian representative was appointed chairman of the Defence Resources Board to inspect British plans.

To emulate the British conditions, the PSOC recommended the creation of a panel of industrialists to advise the Defence Council. Announced by the Prime Minister, Joseph Lyons, in March 1938, the Advisory Panel on Industrial Organisation, consisted of Sir Colin Fraser, chairman of directors of Electrolyte Zinc of Australasia, Sir Alexander Stewart, director of Metal Manufacturers Pty Ltd, Marshall Eady, Federal President of the Associated Chamber of Manufacturers and director of McPherson's Pty Ltd. It was chaired by Essington Lewis, the managing director of BHP.[63] The inaugural meeting was held the day after the announcement to review the existing mobilisation plans and consider means to improve the plans for long-term preparedness for war.[64]

The government also introduced legislative changes to improve defence preparedness. The *Supply and Development Act*, promulgated in June 1939, related to 'the supply of munitions and the survey, registration and development of the resources of Australia'[65] and resulted in the establishment of the Department of Supply and Development, under the recently appointed minister R. G. Casey.[66] The department became responsible for the functions of the Munitions Supply Board, the PSOC and the Contracts Board with greater

[63] 'Industry to Help', *The Argus* (Melbourne), 10 March 1938, 1; 'Ministry's Plans', *The Sydney Morning Herald*, 11 March 1938, 13.
[64] See 'Mobilisation Plans', *The Argus* (Melbourne), 10 March 1938, 2.
[65] *Supply and Development Act 1939* (Cth).
[66] *Commonwealth Parliamentary Debates* (House of Representatives), 3 May 1939, 33.

definition of its role than that of the Munitions Supply Board previously. Thus, when war broke out in September 1939, the government had an organised munitions supply authority that was prepared to draw on the strengths of private industry.[67]

The outbreak of war led to greater legislative changes. The provisions of the *National Security Act* included the authority to take possession or control 'of any property or undertaking' and the acquisition 'of any property other than land in Australia'.[68] Although the Act, assented in September 1939, gave the government power to mobilise the entire resources of the country, it was not used immediately. In fact, during the first months of the war, some government factories producing munitions at full capacity quickly found they did not have orders to fill from the Services. If they continued to produce at capacity they would have to retrench workers. To remedy the situation, Casey, while in London attending a conference of Empire Ministers, secured orders from the British Ministry for Munitions 'for some millions of sterling'.[69] While these negotiations were underway, the Acting Minister for Supply, Sir Frederick Stewart, told Parliament in November 1939 that not only was the quality of the munitions accepted, but it also justified the development of the Government's munitions production policy.[70]

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[67] Council of Defence Meeting, 26 August 1938, NAA: Council of Defence; A9787, Council of Defence minutes and agenda papers, c. 12 May 1905-c. 5 Jul 1950; 93.
[68] *National Security Act 1939* (Cth), s.5.
[69] Quoted in 'Australia's Help With Munitions', *The Sydney Morning Herald*, 9 December 1939, 18.
[70] *Commonwealth Parliamentary Debates* (House of Representatives), 16 November 1939, 1176.

Following the German invasion of France and the Low Countries in May 1940, the Federal Government implemented measures for total industrial mobilization. The Prime Minister, Robert Menzies, announced to parliament in June 1940 that the country was facing 'the greatest emergency in our history'.[71] Reported in the Melbourne *Age*, Menzies' declaration entailed an amendment of the *National Security Act* to give greater powers to the federal government and although 'the bill specifically excluded conscription for overseas service, it stopped short of little else'.[72] Menzies' announcement was made soon after the appointment of Essington Lewis as Director General of Munitions of the newly formed Department of Munitions, on a 'scale hitherto quite unknown in Australia'.[73] His duties were wide-ranging and, according to a report in *The Sydney Morning Herald*, included the

> operation and management of factories, workshops and other Commonwealth undertakings producing munitions … the securing of supplies of materials, plant, tools, and equipment for munitions production; and the employment and training of technicians and workmen.[74]

Lewis, who famously stated 'I am work', because of his relentless work ethic, was placed in a very powerful position, taking a seat on the Defence Committee, with access to the War Cabinet and military chiefs of staff. Contemporary reports described him 'as a man of forceful character, chilled-steel determination, and unswerving courage',[75] and the 'embodiment of Australian initiative and

[71] *Commonwealth Parliamentary Debates* (House of Representatives), 20 June 1940, 14.
[72] 'Complete Power in War Time', *The Age* (Melbourne), 21 June 1940, 10.
[73] *Commonwealth Parliamentary Debates* (House of Representatives), 20 June 1940, 17.
[74] 'Production to Munitions', *The Sydney Morning Herald*, 17 June 1940, 9.
[75] See for example 'Essington Lewis', *Smith's Weekly* (Sydney), 21 October 1939, 6.

resource'.[76] His biographer, Geoffrey Blainey, labelled Lewis an 'industrial dictator',[77] who was skilled at 'winnowing the essential arguments from the inessential' to such a degree that his decisions were rarely questioned.[78] Fellow Advisory Panel member, Laurence Hartnett, wrote that Lewis was an ideal choice and was known for his tremendous capacity for work.[79] Within a month of his appointment, Lewis recommended to the federal government a number of industry leaders to head important branches of the munitions supply organization. As we have seen, Hartnett, managing director of Holden's, became Director of Ordnance Production in June 1940.[80]

Image 2.2. Essington Lewis. Source: National Library of Australia.

Image 2.3. Laurence Hartnett. Source: State Library of Victoria.

Image 2.4. Edward Holden. Source: SLSA.

[76] 'Essington Lewis – Ironmaster', *The Sydney Morning Herald*, 6 June 1945, 7.
[77] Geoffrey Blainey, *The Steel Master: A Life of Essington Lewis* (Melbourne: Macmillan, 1971), 147.
[78] Blainey, *Steel Master*, 153.
[79] L.J. Hartnett, *Big Wheels and Little Wheels* (London: Angus & Robertson, 1965), 112.
[80] See 'Munitions Supply', *The Sydney Morning Herald*, 21 June 1940, 11.

Hartnett's knowledge of mass production and experience of industry made him the best candidate for the directorship of ordnance. Under Hartnett's control, Boards of Area Management were established in each state. These organisations would find companies suitable to manufacture components, with the appointment of a coordinating contractor responsible for sub-contractors. In the case of the vital 25-pounder artillery piece, Holden's was selected in New South Wales, and Charles Ruwolt Pty Ltd in Victoria. These firms would liaise with the Directorate on planning, production, inspection, and assembly as well as the numerous contractors who produced the components.[81]

In some respects, the transfer from civilian to military production for Holden's was straightforward. As a manufacturer of motor vehicles, Holden's could simply change over from building automobiles to making trucks. But production was not limited to motor vehicles. Throughout Australia, the company was involved in all facets of munitions manufacture: the Bren light machine-gun, small-calibre ammunition and ammunition magazines, bomb casings and, in keeping with its automotive background, a range of vehicles including ambulances, trucks and trailers. This flexibility was a reflection of the company's ability to adapt and innovate, as had been seen during the Depression, but also prepared the company for the changes in manufacturing that it encountered during the production of the all-Australian car after the war.

More complicated was the establishment and construction of aircraft and associated parts. Tolerances for aircraft manufacture were considerably tighter

[81] Mellor, *Role of Science*, 236.

than those of cars, with much greater safety concerns over material fatigue and component failure. However, Holden's received blueprints for Gipsy Major aero engines for use in Tiger Moth training aircraft in January 1940, and, nine months later, had commenced production. Drawing from component manufacturers in South Australia, New South Wales and Victoria, the engine, with the exception of only four parts, was wholly made in Australia. In October 1940, during a tour of inspection of the engine assembly plant by the suppliers, Holden officials stated that

> the whole production was an outstanding accomplishment of engineering technique, which had been made possible by the willingness of Australian manufacturers, suppliers of raw materials, the Melbourne University and the Aeronautical Inspection department [of the Department of Supply].[82]

[82] Quoted in 'Engines for Planes', *The Age* (Melbourne), 22 October 1940. 6.

Image 2.5. Window display showcasing munitions manufactured by Holden's during the war, n.d.
Source: SLSA BRG 213/121/7/2/7A.

Image 2.6. Gun carriage assembly, Beverley plant, n.d. Source: SLSA BRG 213/121/17/1/36.

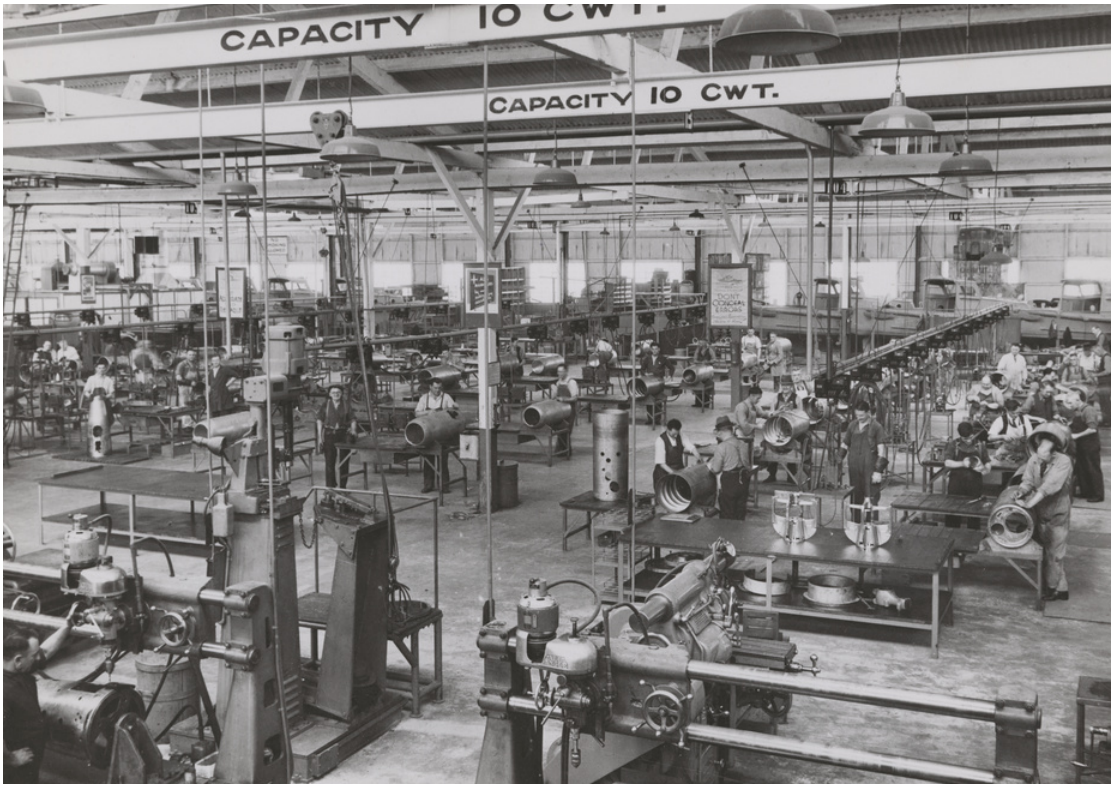

Image 2.7. Torpedo assembly, Birkenhead plant, n.d. Source: SLSA BRG 213/121/17/1/29.

The wartime ordnance contribution of Holden's was not limited to munitions manufacture. As part of the country's development of armoured fighting vehicles, such as tanks, Holden's, and Hartnett particularly, were vital. In a meeting discussing munitions and tank production held on 30 April 1941, Hartnett provided much needed pragmatism.[83] The meeting was divided, broadly, between three groups: the military who wanted tanks immediately, the designers who were pleased with their designs and prepared to have them enter production, and the manufacturers, like Hartnett, who had to build them. Added to this was the impact that tank production would have on the manufacture of other munitions, both in use of materials and skilled labour. Hartnett, calling it 'a production headache', raised practical manufacturing issues, such as the lack of a local producer of gearboxes suitable for tanks.[84] The power plant proved problematic as well. Hartnett rejected a planned engine and the Holden engineers successfully used Cadillac motors that were readily available. In May Hartnett wrote to Lewis summarizing the progress of the tank project. He raised the issue of the gearbox, but said that overall progress was solid, with a group of engineers inspecting manufacturing of tanks in the US and Canada. Another obstacle that had developed was the expansion of the large shipbuilding program that conflicted with demands for steel. Despite the delays and problems, the first Australian cruiser tank rolled off the assembly line in August 1942, 21 months

[83] A.T. Ross, *Armed and Ready: The Industrial Development & Defence of Australia, 1900-1945* (Sydney: Turton & Armstrong, 1995), 246.
[84] War Cabinet Agendum 150/1940, Production orders for armoured fighting vehicles, NAA: War Cabinet Secretariat; A2671, War Cabinet agenda files, annual single number series, 28 Aug 1939-19 Jan 1946; War Cabinet agendum, 26 Jun 1940-18 Feb 1942; 150/1940.

after it had existed as a specification.[85] In comparison, the US-designed M3 medium tank's specifications were drafted in June 1940 and went into production in April 1941. While this was a shorter period of time, the tank was based on a previous design that was already being manufactured, had the backing of the considerably more advanced US industry and was rushed into production.[86] The successful completion of the Australian tank project in such a short period of time was testament to the management skills of Hartnett and his ability to marshal the technical and engineering staff required.

While South Australia's contribution to the war effort was uneven, Holden's was the dominant and essential manufacturer. In Salisbury a munitions works was built, which Carol Fort has described it as 'a strategic duplication of the explosives works at Maribyrnong in Victoria'.[87] Small arms ammunition factories were established in Hendon and Port Pirie, and a foundry and rolling mill at Finsbury.[88] Holden's converted its assembly and trim plants to the manufacture of war goods. The smaller Beverley plant was used for the assembly of 2- and 6-pounder anti-tank guns and carriages of British design and anti-aircraft guns and mountings.[89] The complete manufacture of the 2-pounder anti-tank gun was given to Holden's in June 1940, which S. J. Butlin, official historian of Australia's wartime economy, stated, was 'an important factor in the speed with which increased production was attained'.[90] In an indication of the skills of

[85] Mellor, *Role of Science*, 317.
[86] Steven Zaloga, *M3 Lee/Grant Medium Tank 1941-45* (Botley: Osprey Publishing, 2005), 8.
[87] Carol Fort, 'Regulating the Labour Market in Australia's Wartime Democracy', *Australian Historical Studies* 34 (2003), 218.
[88] Mellor, *Role of Science*, 335.
[89] Beverley Plant notes, 28 July 1964, SLSA BRG 213/1/22/2.
[90] S. J. Butlin, *Australian in the War of 1939-1945: War Economy, 1939-1942* (Canberra: Australian War Memorial, 1955), 317.

the company's engineers, the gun was ready for mass production just ten months from the receipt of a sample gun from Britain.[91] While the carriage, which consisted of an axle and two wheels, was a simple process for Holden's, the remainder of the weapon was not. Company engineers had to plan and develop manufacturing for parts that they had never made before, such as the breech block and grooved barrels. As the barrel was of monobloc design – made in a single casting process – the production process was complex. At the Birkenhead trim shop, naval requirements, such as small launches and torpedo components, were manufactured. The large Woodville plant changed over to build aircraft, gun barrels, torpedo components, munitions, canvas gaiters and ammunition boxes.[92] The variety of goods produced was not dissimilar to those made by the company during the Depression, though under different circumstances.

Of importance here is the fact that the transition to wartime production did not entail new production techniques, rather a change to different products. The gaiters, for instance, were made from canvas, a material used extensively by the company previously to make rooftops. Ammunition boxes were little different from the boxes that the company produced during the Depression while it attempted to remain trading. It was the metal trades where the company provided the greatest input. According to Mellor, Holden's made 'a notable contribution to the torpedo project in producing casing sections by pressing instead of the time-honoured, oversea [sic] method of hammering out the metal shell'.[93] Holden's once more demonstrated its hallmark ability to innovate.

[91] Mellor, *Role of Science*, 240.
[92] Mellor, *Role of Science*, 55.
[93] Mellor, *Role of Science*, 290.

Holden's production output was utilised by its public relations department to demonstrate its valuable contribution to the war effort. The company created a number of booklets showcasing its varied wartime output. One such booklet, *War Production by General Motors-Holden's Ltd* (1946), was 'prepared for the information of the members of the G.M.H. Family – Employees, Shareholders, Distributors, and Dealers' after 'many requests for authentic information about the Company's war production'.[94] Hartnett wrote in the introduction that Holden's policy during the conflict was 'clear cut and definite – the war effort comes first. Nothing is to interfere with the execution of that policy'. He outlined the company's role not only in manufacturing but also assembling products for the war effort. The remainder of the booklet showed the diversity of products that the company made for the Army, Air Force and Navy and included photographs of the manufacturing processes. While the booklet showed the array of wartime goods made by Holden's, it also demonstrated the size of the firm and its importance to secondary industry, especially in South Australia. As the war progressed, Holden's, and the federal government, began to look to what the postwar world might offer.

[94] *War Production by General Motors-Holden's Ltd*, General Motors-Holden's Public Relations Department, Melbourne, 1946, SLSA BRG 213/121/6/3.

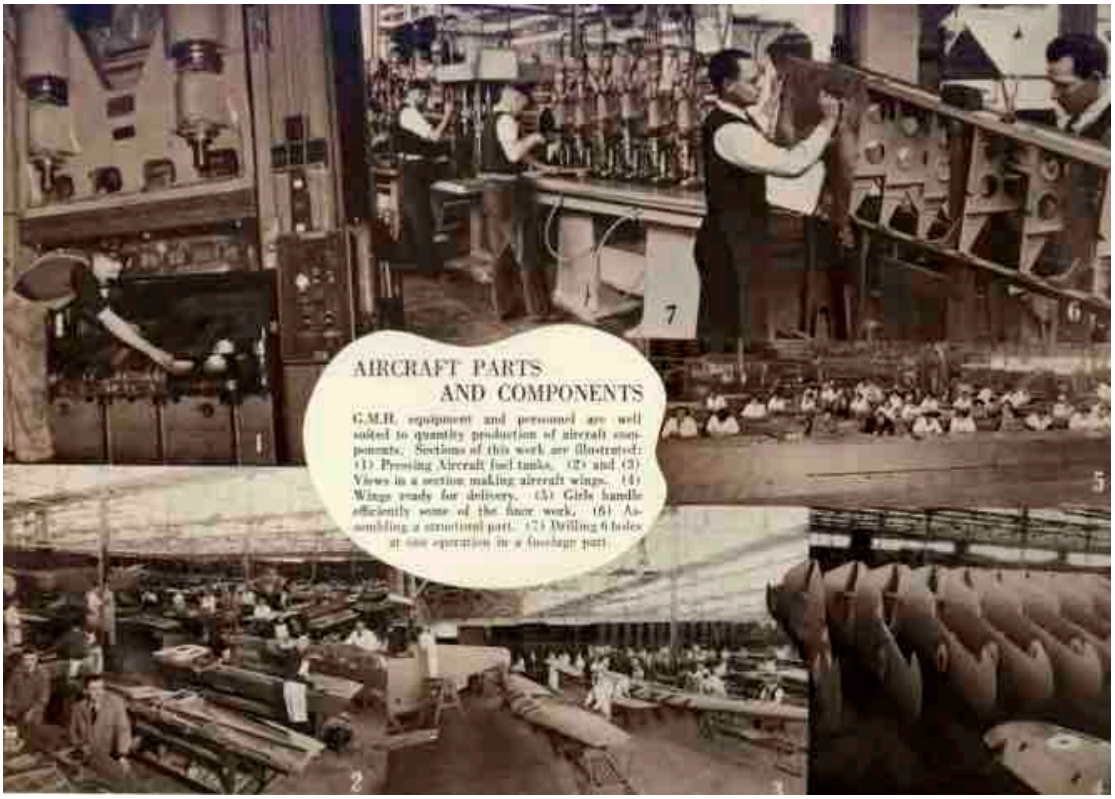

Image 2.8. Unnumbered page from *War Production by General Motors-Holden's Ltd* showing the manufacture of aircraft components.

Decentralisation and consumer goods: postwar planning and Holden's path to the all-Australian car

At the time of Hartnett's appointment as Director of Ordnance Production, the federal government had already begun preparation not only for wartime production, but also for postwar secondary industry development. In his February 1940 report, 'War-time Financial and Economic Policy Planning for Post-war Reconstruction', the Postmaster General and Minister for Repatriation, E.J. Harrison, proclaimed that, as European countries settled after the war, their economies would no longer need Australian products and this situation would

'necessitate an immediate development or expansion of secondary industries'.[95] While the obvious priority at such an early time in the war was the formation of defence industries, it is interesting that postwar planning should be discussed so early. In October 1943, Federal Cabinet established the Secondary Industries Commission whose planning functions included the 'conversion of secondary industries to peace-time production, and the post-war development of Australia's industrial capacity'.[96] Of importance was the Commission's work on the decentralization of industry, and the production of household goods and motor vehicles. The notion of manufacturing motor vehicles in Australia was of such importance that the Prime Minister, John Curtin, stated that 'failing manufacture by a private enterprise of a complete motor car in Australia, a Government corporation will undertake the job'.[97] The postwar industrial environment was clearly to be targeted toward consumer durables and presented Holden's with an opportunity.

For South Australia, and Premier Thomas Playford in particular, the focus on production of consumer durables caused concern. At a reception held at the School of Mines in October 1944, Playford stated that to

> ensure the sound progress of secondary industries in South Australia at least one major industry must be established, for experience had shown that all other secondary developments are from one major industry employing many thousands of men.[98]

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[95] Wartime Financial and Economic Policy: Planning for Postwar Reconstruction, NAA: Cabinet Office; A6006, Folders of copies of Cabinet papers, 1 Jan 1901-1940/03, Wartime Financial and Economic Policy - Planning for Postwar Reconstruction, 1940; 1940/3/11.
[96] Minister's Report on Work of Ministry of Post War Reconstruction, 26 October 1944, NAA: Department of Post-War Reconstruction; A9816, Correspondence files, annual single number series, 1 Jan 1943-31 Dec 1950, 1944/546/1.
[97] Minister's Report on Work of Ministry of Post War Reconstruction, NAA A9816, 1944/546/1.
[98] Quoted in 'Premier's Fear About Industry', *The Advertiser* (Adelaide), 24 October 1944, 4.

He said that it would be calamitous for South Australia if Commonwealth government policy resulted in the motor body industry leaving the state.[99] Playford wrote to Curtin pointing out that the industry employed directly and indirectly over 8,000 people and that since the war began it had nearly completely converted to wartime production. Although Holden's was the largest of these employers associated with the motor body building business, with plants in all mainland states, others were smaller manufacturers that would be badly affected by the loss of the industry from South Australia. The delay in the release of Commonwealth motor vehicle manufacture policy meant local industry could not plan to convert their plants back to pre-war manufacturing. This situation was not that dissimilar to that suffered by Holden's suppliers during the period leading to the closure of production facilities in Australia in 2017.

Holden's postwar planning emulated that of the federal government. As munitions contracts slowed, the company, in early 1944, 'sought endorsement of a general manufacturing programme' from the government.[100] Part of this programme was the pilot model of the car Holden's had been developing. In May, Cabinet 'agreed that in special circumstances planning could proceed for the production of those goods "essential in the immediate post-war period"'.[101] However, the fear of a postwar depression loomed large in Hartnett's mind. In his memoir, *Big Wheels and Little Wheels* (1965), Hartnett recalled that when the

[99] See 'Premier's Fear About Industry', *The Advertiser* (Adelaide), 24 October 1944, 4.
[100] Butlin and Schedvin, *War Economy*, 590.
[101] Butlin and Schedvin, *War Economy*, 753.

war was over he was desperate to keep Holden's manufacturing goods in order to ensure that they had a workforce when chassis finally arrived from the US and Canada. As these two countries viewed right-hand drive chassis production as a very low priority, it was estimated that the wait might be up to 15 months. Hartnett, drawing on the precedent established during the Depression, turned the company into a maker of an array of household goods, such as stainless-steel sinks, filing cabinets, carpet sweepers, and even rocking horses.[102] During this time, development of the new all-Australian car continued with GM engineers travelling from the US to Australia to facilitate the design process. The result was the first all-Australian car rolling off the assembly line at Fisherman's Bend in Melbourne in April 1948. Demand for the new car grew rapidly and, even though 7,000 units were built in 1949, demand outstripped supply with a waiting list of several years.[103]

Holden's postwar success was amply demonstrated in its 1951 annual report. The company had achieved gross sales of £42,481,000 from 25,177 Holden units, 14,915 Vauxhall-Bedford and 5,413 US models. The Vauxhall-Bedford and US models were cars that were made from imported chassis. The annual report noted that, during the year, the company faced problems of supply of components that stemmed 'from Government imposed restrictions'.[104] Despite these complaints, Holden's still made the largest profit up to that point in

[102] Laurence Hartnett, *Big Wheels and Little Wheels* (London: Angus and Robertson, 1965), 186.
[103] Ewan Kennedy and Alistair Kennedy, *The Holden Heritage* (Melbourne: Public Affairs Department, General Motors-Holden, 1998), 7.
[104] GM-H Annual Report 1951, SLSA BRG 213/91/1950-1959.

Australian company history,[105] greater than Australia's biggest company, BHP. By this time, Holden's was in a strong position to reap the postwar boom. By 1951 Holden's production facilities throughout the country employed over 10,000 staff.[106]

Holden's was not the only South Australian manufacturer to benefit from the postwar boom. Pope Industries, established in Beverley in 1935 by Sidney Pope, manufacturer of washing machines and refrigerators, expanded into the production of petrol-powered rotary mowers, stereo equipment and licensed Motorola television sets.[107] As early as 1950, the company announced record profits that only improved with the introduction of the country's first automatic washing machine in 1954.[108] Metters was established in Adelaide by Frederick Metters in 1891. A cooking appliance company famous for the green and grey 'Early Cooka' cooker, it disclosed sales of £205,467 in May 1951. An increased profit of £42,798 came on the back of demand that outstripped supply.[109] When Kelvinator celebrated its 21st birthday in 1953, it had expanded to employ 2,100 staff and had produced in excess of 200,000 refrigerators during that time[110] Although smaller than many of the other manufacturers, Lightburn Industries, producer of cement mixers and washing machines, increased its net profit by 18% in 1953.[111] Holden's primary motor body manufacturing competitor,

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[105] See for example 'Record!', *The Argus* (Melbourne), 11 August 1951, 1; 'Record Net Profit for GM-H', *The Sydney Morning Herald*, 11 August 1951, 6; 'Big Holden Profit Record for Nation', *Mercury* (Hobart), 14 August 1951, 3.
[106] GM-H Annual Report 1951, SLSA BRG 213/91/1950-1959.
[107] P.A. Howell, 'Pope, Sir Sidney Barton', *Australian Dictionary of Biography*, Vol. 18 (Melbourne: Melbourne University Press, 2012). http://adb.anu.edu.au/biography/pope-sir-sidney-barton-15839. Accessed 2 February 2016.
[108] See 'Record Trade for Pope Industries', *The Advertiser* (Adelaide), 16 September 1950, 8.
[109] See 'Higher Sales By Metters', *The Advertiser* (Adelaide), 9 May 1951, 5.
[110] See 'Email Group Nets £457,484', *The Advertiser* (Adelaide), 31 May 1952, 9.
[111] See 'Lightburn has profit rise', *The News* (Adelaide), 16 September 1953, 8.

Richards Industries (formerly T.J. Richard's & Sons), had turned a loss of £33,143 in 1947 that forced a merger, into a £319,345 profit five years later.[112] That ubiquitous element of any postwar Australian suburban backyard, the Hill's Hoist, led the company to an annual turnover of nearly £2 million by 1957.[113] The secondary industry development, so sought by successive state governments, had come to fruition, employing thousands of South Australians and postwar immigrants.

Although these businesses were reporting record-breaking growth and profits, those at Holden's were far greater. In the company's annual report, released in December 1950, gross sales amounted to £21.563 million with a staff of over 10,000 nationally.[114] Profit, though, had dropped that year after allowing for the costs of manufacturing the new, all-Australian car. But, by late 1954, Holden's reported a profit of £7.25 million, 'a record for any public company in Australia', according to the Melbourne *Sun*.[115] This was achieved from sales of £69 million and the employment of 6,437 staff in South Australia and 13,822 nationally.[116] In comparison, Richards Industries, which by this time had become Chrysler Australia, employed 3,000 staff.[117] Even BHP, Australia's largest employer, had only made of profit of £3.88 million in 1954.[118] While these results were record breaking, they were soon to be a source of conflict between Holden's unions and the company.

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[112] 'Richards Industries Loss, £33,143', *The Argus* (Melbourne), 14 August 1947, 17; 'Good Year for Chrysler', *The Sydney Morning Herald*, 22 August 1952, 6.
[113] David Harris, *What a Line! Fifty Years of Hills* (Adelaide: Hills Printing Services, 1996), 55.
[114] GM-H Annual Report, 31 December 1950, SLSA BRG 213/91/1950-1959.
[115] '£7¼m GMH Profit a record', *The Sun* (Melbourne), 27 August 1954, 1.
[116] GM-H Annual Report 1954, SLSA BRG 213/91/1950-1959.
[117] See 'Chrysler to Expand', *The Advertiser* (Adelaide), 19 December 1953, 3.
[118] See 'BHP output rises', *The Sydney Morning Herald*, 6 August 1954, 4.

Company drawings of the Woodville site show the rapid expansion of Holden's between 1923 and 1957. Image 2.9 shows the plant a year after the site was purchased in 1923 with a building area of 203,800 square feet (18,933 m^2), comprising woodworking, body building, trim and paint shops, with the rolling stock for transport and minimal office space. By 1925 (Image 2.10) the plant had expanded considerably with many processes, such as timber milling and plating conducted on site. Two years later, in 1927 (Image 2.11) the plant increased by a further 25%, building a dedicated shop for non-GM motor bodies. At the outbreak of war in 1939 the plant had been reorganized. The predominance of steel rather than timber becomes clear with a dedicated sheet metal fabrication shop (Image 2.12). The war precipitated major changes with the motor body building sections being converted to aircraft production and expansion of the building area to 1,244,300 square feet (115,599 m^2) (Image 2.13). The increase to 50,000 Holden units per annum, to be achieved by November 1953, resulted in more of the adjacent suburb being purchased (Image 2.14) and the construction of a new sheet metal fabrication plant (Image 2.15). The final expansion at Woodville, before the construction of the Elizabeth plant, was to produce 100,000 Holden units per annum by July 1957 and included the purchase of the remaining housing in the North-west corner bound by Cheltenham Parade and the Port Adelaide to Adelaide railway (Image 2.16). In 1957, the Woodville plant covered an area of 1.75 million square feet (162,583 m^2) on property that spread over 66.24 acres (26.8 hectares). However, further expansion at Woodville was limited as the cost of buying houses around the factory to demolish became too prohibitive. This example of the physical growth of Holden's reflects that of the company's growth in profitability as described

above. This expansion, with the commensurate increase in workers, soon made Holden's one of the country's largest employers and, with a closed shop, an important source of union members and, as will be seen, a fighting ground for control of those workers.

Image 2.9. The Woodville plant in 1923. Source: BRG 213/77/44.

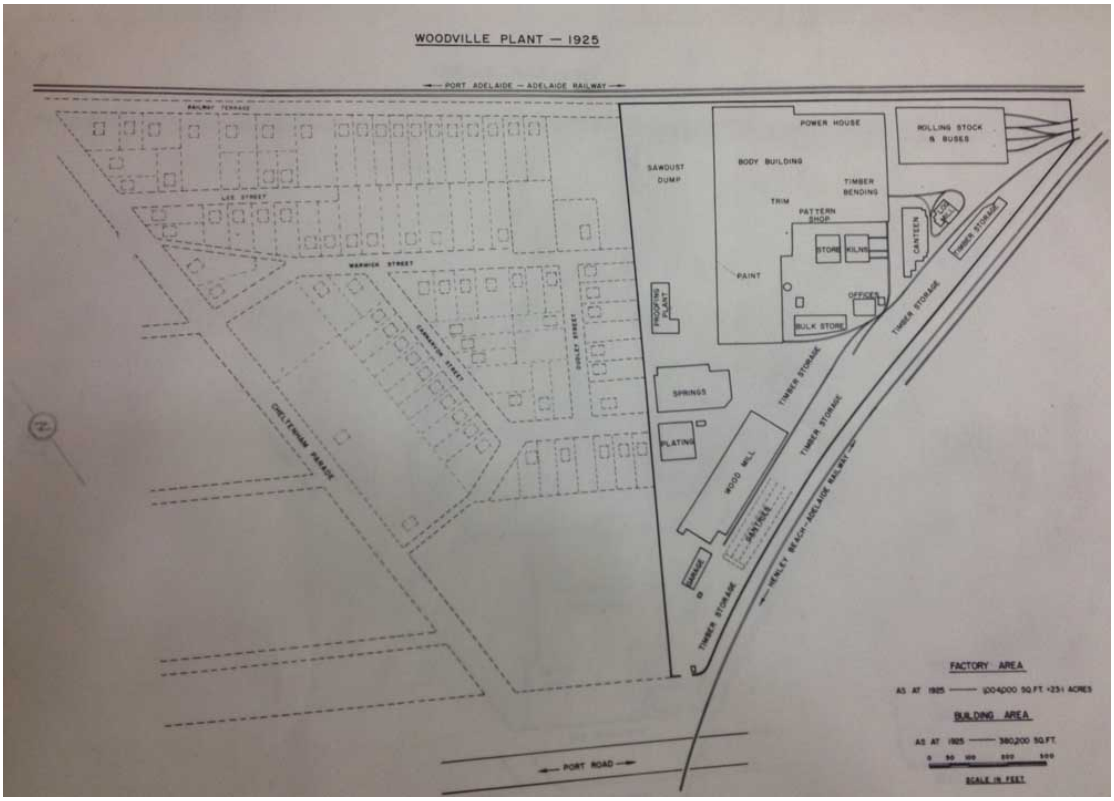

Image 2.10. The Woodville plant in 1925. Source: BRG 213/77/44.

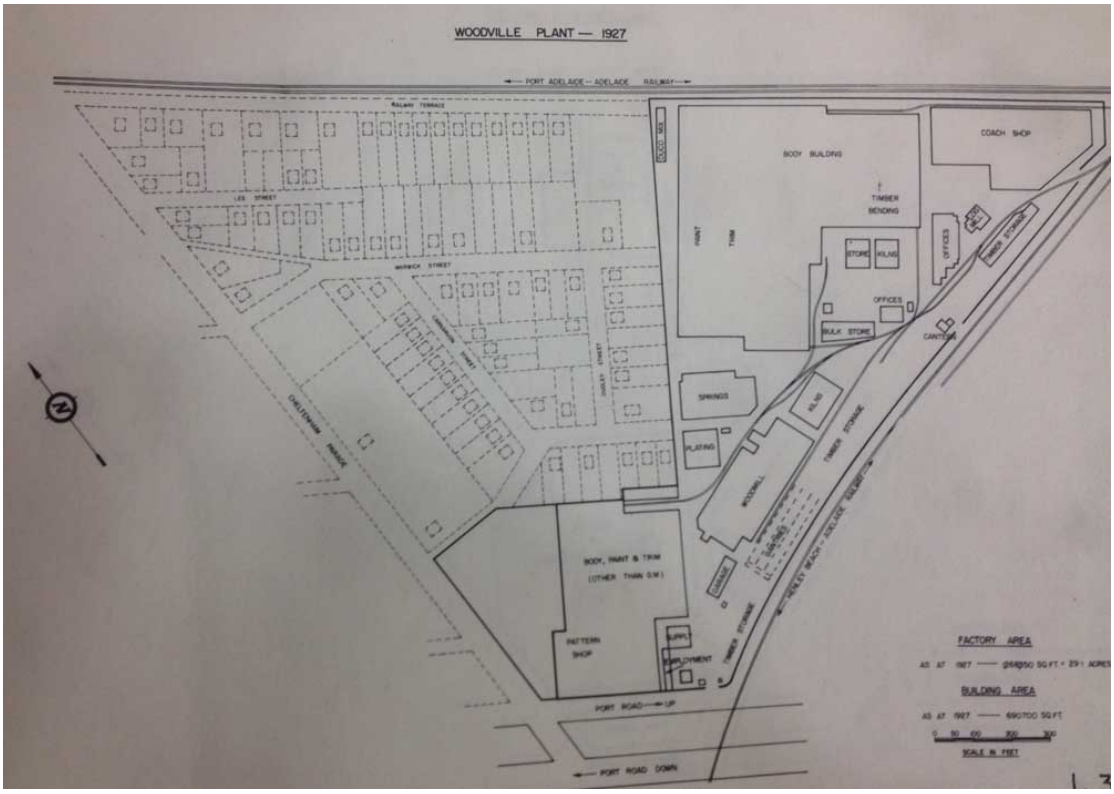

Image 2.11. The Woodville plant in 1927. Source: BRG 213/77/44.

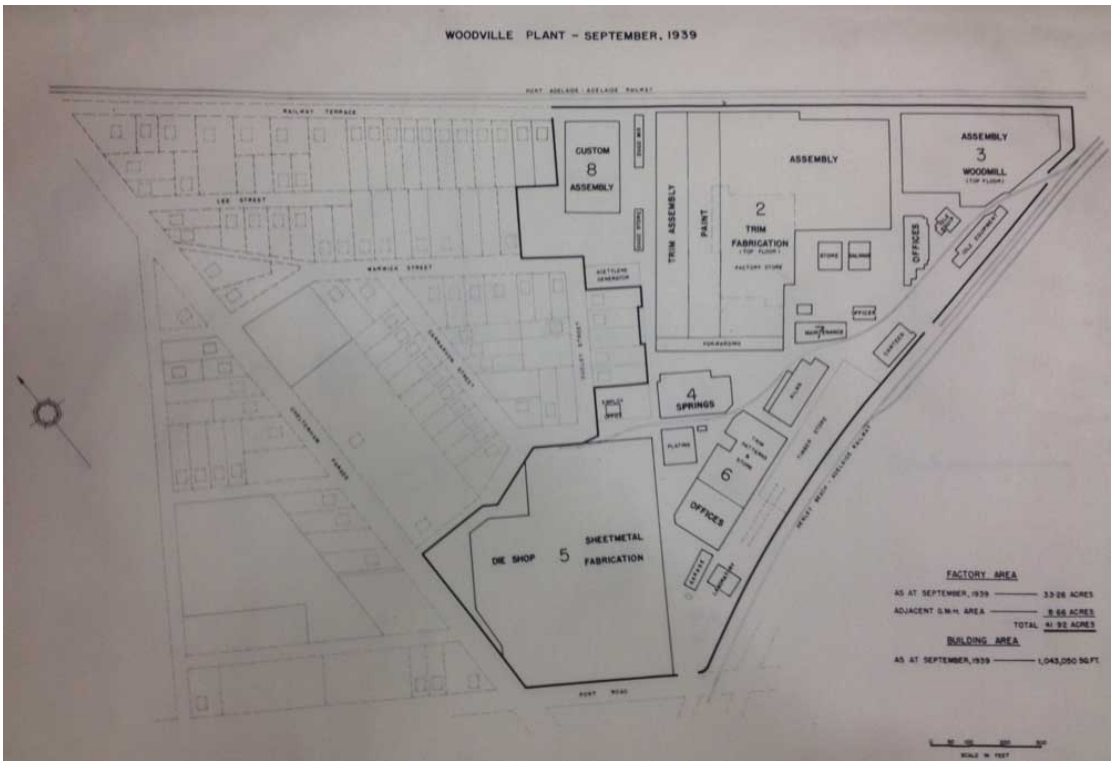

Image 2.12. The Woodville plant in 1939. Source: SLSA BRG 213/77/44.

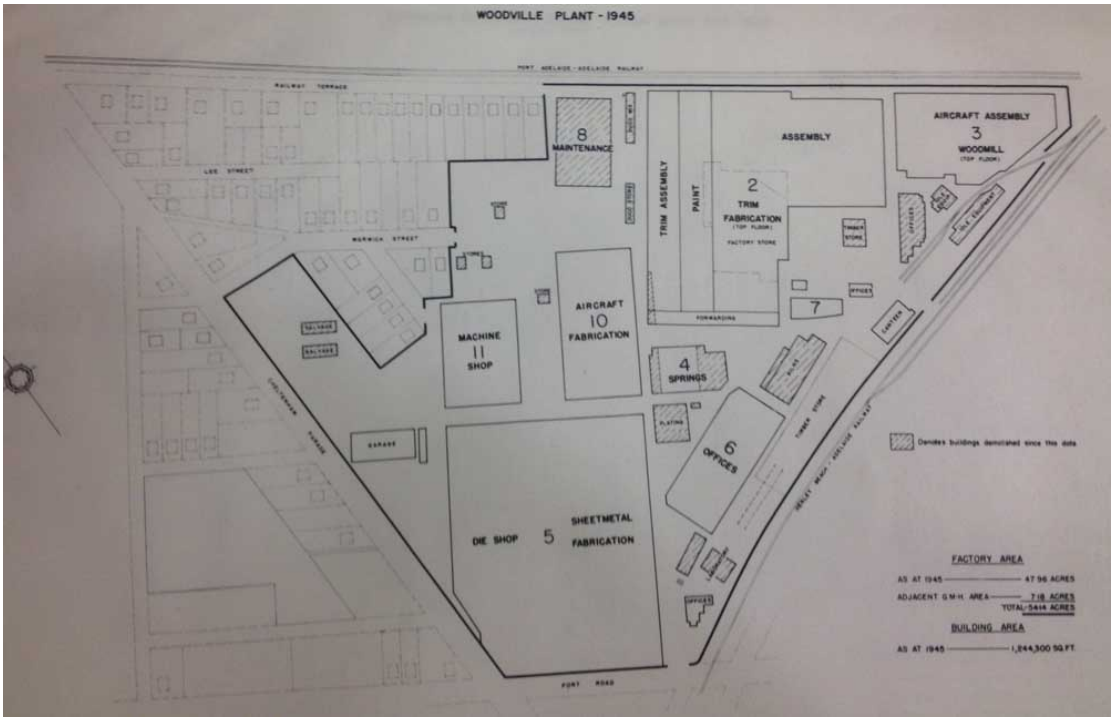

Image 2.13. The Woodville plant in 1945. Source: SLSA BRG 213/77/44.

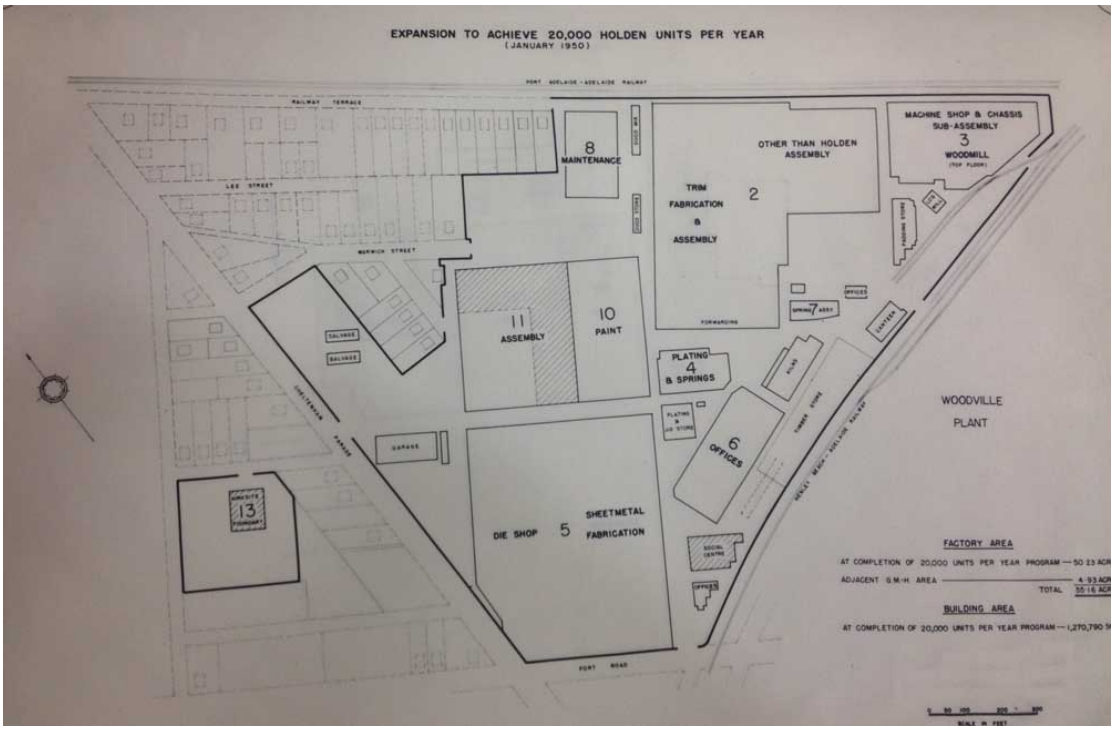

Image 2.14. The Woodville plant in January 1950. Source: SLSA BRG 213/77/44.

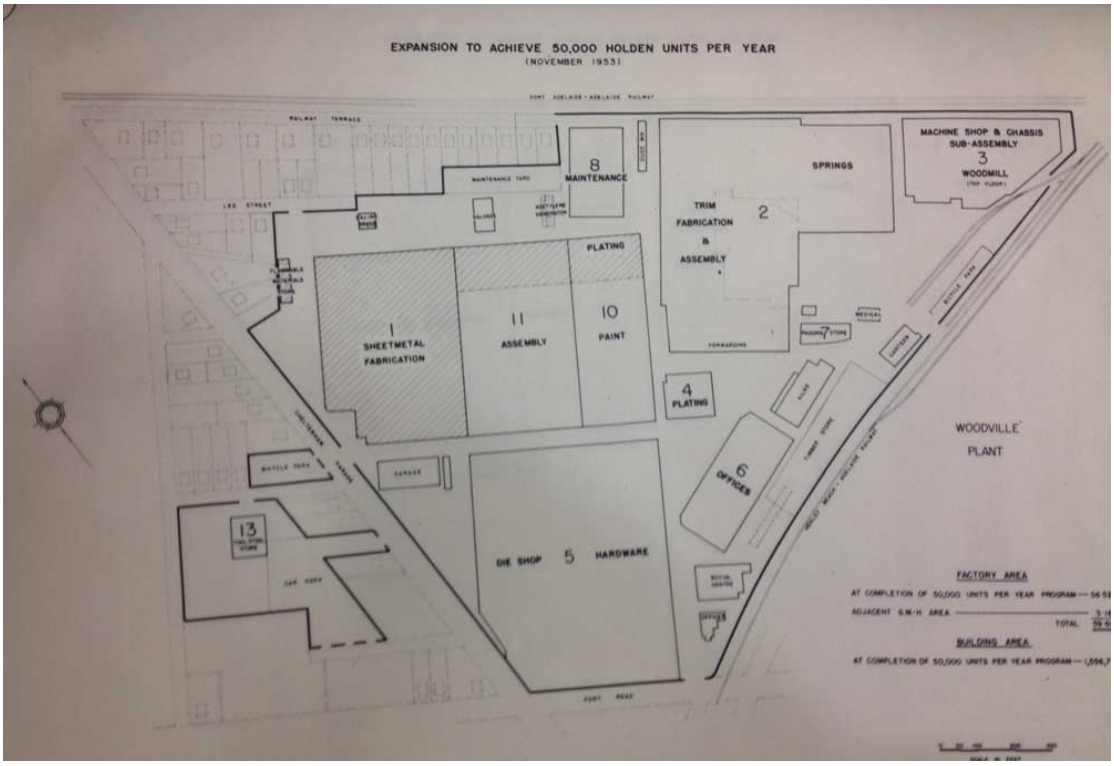

Image 2.15. The Woodville plant in November 1953. Source: SLSA BRG 213/77/44.

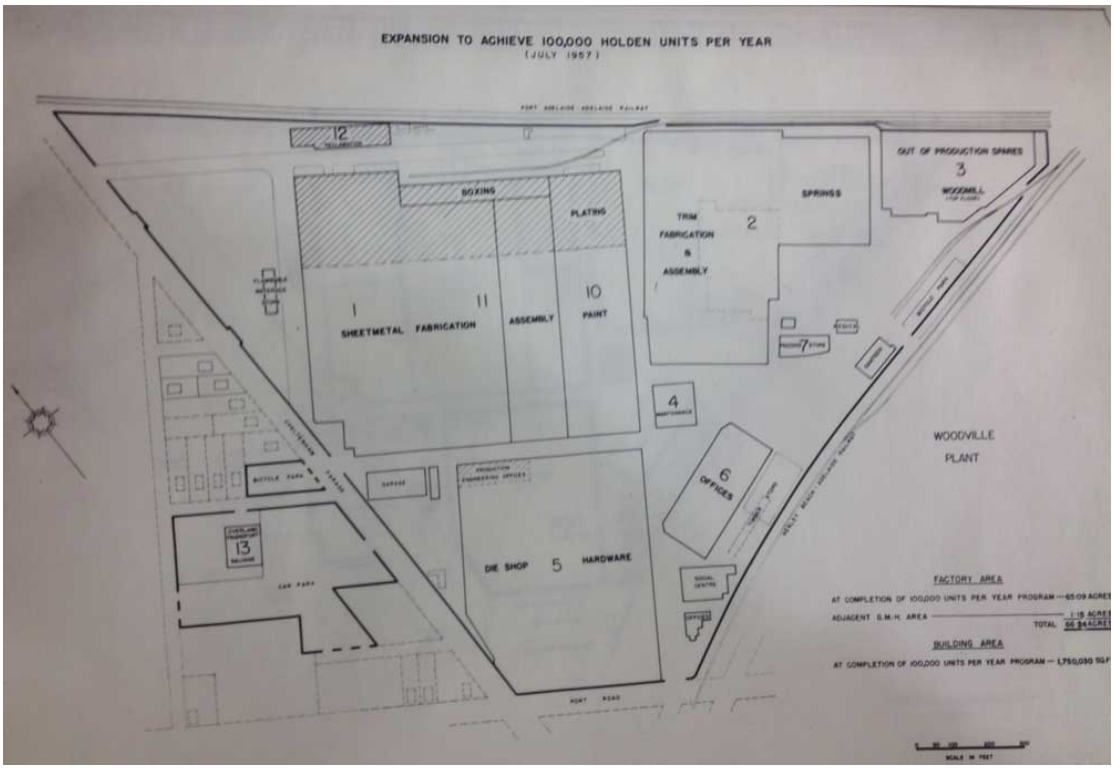

Image 2.16. The Woodville plant in July 1957. Source: SLSA BRG 213/77/44.

Holden's outstanding growth rapidly put pressure on available factory space and new areas for expansion were required. During the war, space that could have been used by Holden's, close by on Torrens Road at Woodville, had been taken by ACTIL (Australian Cotton Textile Industries), the British-Australian textile venture. According to an oral history interview with Colin Branson, the Secretary and Chair of the South Australian Industries Advisory Committee from 1943 until 1965, the managing director of GM, Harlow Curtice, was to visit Adelaide and inspect the plants. The manager of Holden's Woodville plant, King Stuart, rang Branson and discussed possible sites of about 15 to 20 acres for a new tooling plant. Branson mentioned a site at Tennyson, not far from the Woodville plant, where some sand hills had been leveled, but greater interest

was shown in the development by the Housing Trust to the north of Adelaide at Elizabeth.[119] Curtice arrived on a Friday and departed the following Monday, without meeting Branson, but making the decision that a site south of Elizabeth near the northern railway line would be ideal. Branson told Curtice that he would approach Playford to see what could be arranged.[120] This rapid visit and prompt support for expansion was, according to Patrick Wright, a business trait of Curtice's.[121] In the first two years of his role as president of General Motors, he travelled abroad twice and spent millions of dollars in on-the-spot decisions.[122] The sale of the Elizabeth property, by a recalcitrant vendor, was achieved through the direct intervention of Playford making way for the factory development.[123] While the speed of decision making was a hallmark of Playford, the precedent of the state working closely with big business had been set before the Depression. This was to become more apparent once the new plant reached its peak of production in the 1960s when Holden's and its unions used their power to influence government decisions.

The Elizabeth site selected by General Motors was ideal. Although the company only intended using 50 acres (20.2 hectares) for its new assembly plant the site totaled 265 acres (107 hectares). According to Holden's publicity department, it allowed for substantial growth as 'insurance against the future'.[124] Its close proximity to the main northern railway line gave it accessibility not only

[119] Interview with Colin Branson by J.D. Somerville Oral History Collection, SLSA OH 383/1.
[120] Interview with Colin Branson by J.D. Somerville Oral History Collection, SLSA OH 383/1.
[121] J. Patrick Wright, *On a Clear Day You Can See General Motors: John Z. De Lorean's Look Inside the Automotive Giant* (London: Sidgwick & Jackson, 1980), 207.
[122] See 'Harlow H Curtice is Dead at 69', *New York Times*, 4 November 1962, 88.
[123] Interview with Sir Thomas Playford, 31 October 1978, by J.D. Somerville Oral History Collection, SLSA OH 815.
[124] News Release, GM-H Public Relations Department, 28 February 1956. SLSA BRG 213/72/1/1.

for the transport of finished goods, but also for workers living in Adelaide to travel to work by rail.[125] The expansion at Elizabeth ensured that Holden's was able to continue to supply the rapidly growing demand for their products and achieve the company's goal of producing 100,000 vehicles per annum.

Conclusion

While on the hustings for the 1950 state election, Premier Thomas Playford campaigned on the progress that his government had achieved since the end of the war. He said that 'South Australia had made more progress in industrial activity than any other State', using pine plantations in the South East, soldier settlement and, most importantly, the encouragement of industries by financial assistance as examples.[126] Playford's promotion of such achievements was justified. The state's postwar growth, in industry, immigration and population, had commenced and factories were producing consumer durables for a rapidly expanding market. Much of this growth came from demand for motor vehicles, and placed Holden's in a position to profit greatly, particularly following the release, in 1948, of the all-Australian car.

This chapter has explored the growth of secondary industry in South Australia following the creation of the Secondary Industries Commission after the 1926 Royal Commission. It has shown that South Australian secondary industry lagged behind its inter-state competitors because of an initial focus on primary industry and a late entry into large-scale manufacturing. Further, it has

[125] Factory Notice No 9/59, SLSA BRG 213/72/1/1.
[126] Quoted in 'State Elections', *South Eastern Times* (Millicent, SA), 3 March 1950, 1.

shown the role played by the state government in attracting secondary industry to South Australia, especially through J.W. Wainwright as auditor general and the premier, Sir Thomas Playford. Essential to the expansion of secondary industry was Holden's, which saw incredible growth in sales and profits during the postwar period, resulting in the development of the Elizabeth plant and becoming the cornerstone of industrial expansion in South Australia. However, while Holden's sales reflected postwar growth generally, they could only continue with a stable workforce that did not disrupt output. To achieve this, Holden's continued with its practice of engaging with its unions which will be examined in the next chapter.

Chapter 3

A fair day's pay for a fair day's work: Unionism at GM-H.

Introduction

Penal Clauses

Exhibit one is a ball and chain,
A symbol of a time and strain,
Sometimes used at approaching marriage,
About the time of horse and carriage,
Was used in early penal times,
With a whipping post for paltry crimes,
You would have thought through all the years,
We had removed the chains and fears.

A working man is exhibit two,
He argues 'till he's black and blue,
And finds at times with consternation,
That penalties and arbitration,
Go hand in hand – not democratic.
Sometimes the fines are automatic.
He knows of doctors and members who,
Decide their wage and pensions too.

Will we find exhibit three?
And this is what the end should be.
A truly free unfettered man,
Working most of his life's span,
Then having earnt his life of ease,
Just himself and wife to please,
To achieve this end the nation pauses,
Throw out the unjust penal clauses.

In August 1969, party member, R.D. Jennings wrote 'Penal Clauses' to the South Australian branch of the ALP, lamenting the use of penal clauses that were part of union agreements.[1] The doggerel reflects the changes that were occurring in

[1] Letter from R.D. Jennings to Australian Labor Party (South Australian Branch), August 1969, SLSA SRG 73/56.

the workforce at unionized factories around Australia and growing militancy amongst workers. The cosy relationships that had developed between large companies and equally large unions were being questioned by workers who saw their employers making large profits at their expense. Penal clauses, part of union agreements to prevent unofficial strikes, were seen by unionists as regressive. For union members, such as Jennings, they were undemocratic and reflected the oppressive nature of union agreements. As we will see, his lines of verse demonstrate a general trend toward workers questioning the role of their union leadership and whether the compact that had developed between unions and companies was in the best interests of the members.

Trade unionism was an integral part of production operations at Holden's in Australia. The introduction of the assembly line production system in the early 1920s resulted in a radical change in employment practices. The new assembly line work, with its simplified processes, no longer required tradesmen throughout production. Rather, semi-skilled and less expensive workers could be employed. This change of work practice proved a challenge to the existing trade unions, forcing them to change from craft unions with highly skilled members to catch-all organisations that attracted all varieties of workers. This chapter will expand upon the discussion in chapter one on the role trade unions played at Holden's. It will argue that the traditional concept of trade unions being in a constant adversarial role with company management was not necessarily the case at Holden's. Rather, a relationship was developed that improved wages and conditions for workers while reducing disruptions to production. This mutually beneficial arrangement was achieved through the acceptance of a closed shop and higher than award wages supplemented by company incentives. To support

this argument, the chapter will analyse aspects of industrial relations that affected all unions involved at Holden's. The chapter will investigate the role of unions and the company in the negotiation of awards and wages policy. It will discuss company incentives and corporate welfarism and the reasons behind these programs. The chapter will also examine inter-union disputes. Importantly, we will see that the changing role of women in the motor vehicle industry had an impact on a traditionally male domain. The depletion of male workers for wartime service meant women, to continue industrial output, were employed in roles that had previously only been fulfilled by men. Finally, the chapter will investigate examples of company and union co-operation for mutual benefit, particularly in the promotion of tariff protection, thus demonstrating the generally co-operative nature of the main union at Holden's.

More than just wages: employment agreements, awards, wages policy and company incentives

Intrinsic to industrial relations at Holden's were union agreements and wage award schemes. Only a year after Holden's commenced production of motor car bodies, the company entered into an agreement with its main union, the Coachmakers Employees' Federation (later the VBEF). The company's decision to accept unionized labour and actively to negotiate agreements with the union was unusual at the time. However, the reason was altruistic only to the extent that it would result in a workforce that was reliable for the company, compliant to union management and would not cause industrial disputes. This section will argue that the relationship between Holden's and the VBEF was based on a

mutual understanding to reduce disruption to production. To achieve this goal, Holden's and the VBEF negotiated industry-specific award schemes that surpassed central wage fixation set by the federal government, as well as bonus plans and non-monetary incentives. These actions were aimed at reducing labour turnover and improving workers' lives. As methods of restraint to industrial unrest they were largely successful, with a few minor exceptions, which will be discussed in the Chapter Four.

While this section is not intended to be a thorough investigation of the awards at Holden's, it will discuss government wages policies and award agreements between the company and the VBEF that culminated in the first company-specific federal vehicle industry award in 1974.

The first agreement between Holden's and a union occurred a year after the company commenced production of motor bodies. In 1918 Holden's entered into an agreement with the Coachmakers Employees' Federation which stated that there would 'be no Industrial unrest or trouble on the part of any of their members', in return for a preference of employment to union members. If workers were required, the company would initially approach the union. If the union could not supply the required labour, Holden's was then free to advertise for workers. Subsequent clauses ensured that the workplace became a semi-closed shop. Any new employee was to be approached by the to join the union and, if they declined, the company was to

> notify such employee that they consider it advisable that the said Employee should become a member of the said Federation and shall also use their best

endeavour to induce such Employee to become a member of the said Federation.[2]

This arrangement was unusual for the time, as most employers preferred non-unionised labour. Unions were perceived by employers as an impost on workforce flexibility and potentially disruptive to production if workers became militant. However, Holden's realized that a contractual arrangement with a union that could supply labour and guarantee industrial harmony was in the company's best interests. By forging strong ties with the union and giving the union certain assurances, Holden's would be in a position to make demands of the union during disputes. The arrangement was only reinforced as the motor body building industry, and the union, expanded rapidly during the 1920s.

Reflecting the growth of Holden's, the next agreement established a completely closed shop. Signed in August 1936, the new agreement, between Holden's and the Coachmakers Employees' Federation, the Amalgamated Engineering Union (AEU) and the Australasian Society of Engineers (ASE), expanded on the previous 1918 agreement. This time, though, it was established on the premise of a completely closed shop with only unionised labour being hired. As this agreement included more than one union, a specific clause was inserted that allowed employees to join a union of their choice.[3] This clause was important, according to Tom Sheridan, as it was an attempt to counter the

[2] Agreement between Holden & Frost Motor Car Body Builders and S.A. Branch of the Australian Coachmakers Employees' Federation, 21 January 1918, UM 101/37/V31.
[3] Agreement between General Motors-Holden and the Amalgamated Engineering Unions, the Australasian Society of Engineers and the Australian Coachmaking Employees' Federation, 20 August 1936, UM 101/37/V31.

struggles between unions for members.[4] Further agreements, which were made in 1958, 1959, 1960 and 1974, were linked to the award and ensured compulsory union membership.

While unions entered agreements with individual companies, wages were fixed by industrial tribunals that operated under state and Commonwealth legislation. The Harvester Judgment, as mentioned in Chapter One, established a basic wage that was the lowest wage payable to an unskilled labourer. Passing down his ruling on the case in 1907, Justice Higgins, reflecting on this in his 1922 book, stated that he decided 'to adopt a standard based in "the normal needs of the average employee, regarded as a human being living in a civilized community"'.[5] The 'Harvester' basic rate, as it became known, was incorporated into Commonwealth Court of Conciliation and Arbitration awards and began the period of central wage fixation. Following the publication of comparative retail prices across Australia by the Commonwealth statistician in 1912, the Court adopted price indices to calculate necessary wage increases. This was followed by regular quarterly adjustment relative to purchasing power.[6]

For motor body building companies, such as Holden's, industry specific awards pertaining to wages were established early in the development of the industry. Building on the existing Carriagebuilding Board award, motor body builder representatives approached the South Australian government to create a

[4] Tom Sheridan, *Mindful Militants: The Amalgamated Engineering Union in Australia, 1920-1972* (Cambridge: Cambridge University Press, 1975), 114.
[5] Henry Bournes Higgins, *A New Province for Law & Order* (Sydney: Workers' Educational Association, 1922), 3.
[6] S.R. Carver, *Official Yearbook of the Commonwealth of Australia* (Canberra: Commonwealth of Australia, 1954), 290.

separate wages board for their industry as early as 1911.[7] After debate in the state parliament the proposal was rejected, with the Legislative Council stating that workers were adequately covered by the existing wages board.[8] Another attempt was made a decade later in June 1920, when the Secretary of the Master Carriage, Waggon, and Motor Body Builders' Association, G. Hebbert Boykett, pointed out to an industrial court hearing that the industry had altered substantially and there was 'now a large number of workers engaged in motor body construction exclusively, and the existing classification was unworkable'.[9] Boykett's request was accepted and the award altered to better reflect the needs of employees of the motor body building industry. This proactivity by the union to influence government policy was to repeat in later years when the industry was faced with overseas competition.

As the industry's largest manufacturer, Holden's led the way in negotiating awards. A new federal coach and motor body builders' award was determined in 1924, which provided for quarterly wage adjustments based on Commonwealth cost of living figures and a margin for skilled workers.[10] This award was modified again in 1935 to include a 44-hour week and improved wages.[11] New to South Australian industry was the provision in the award for juveniles. The award abolished payment by experience only and was replaced with wages based on age plus experience for those under 21 years of age.[12]

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[7] As reported in 'Motor Car Bodies', *The Daily Herald* (Adelaide), 1 September 1911, 3.
[8] See 'Trade & Labour', *The Register* (Adelaide), 1 September 1911, 8.
[9] Quoted in 'Coachbuilders' Claim', *The Advertiser* (Adelaide), 25 June 1920, 8.
[10] As reported in 'Labor News', *The Advertiser* (Adelaide), 2 August 1924, 15.
[11] See 'Workers Pleased With Motor Body Industry Award', *The Advertiser* (Adelaide), 18 December 1935, 6.
[12] See 'New Provisions for Youths', *The News* (Adelaide), 19 December 1935, 14.

Wartime adjustments, that were to remain in place throughout the conflict, were introduced following a compulsory conference in 1941 when several margin rates were increased and some classifications altered.[13] Annual leave, which previously was only applied in the large mass-production factories, such as Holden's, was granted to the entire industry, a major improvement in worker conditions. The establishment of specific awards for the motor body building industry, which paid more than similar work in other industries, aided companies like Holden's to attract and retain workers. By adopting higher wage practices from overseas car makers, specifically Ford's $5 day in the US which will be discussed in Chapter Five, Holden's could avoid many potential industrial disputes that were based on wages.

In order to attract labour in the postwar period, Holden's increased wages for unskilled workers. The introduction of the all-Australian car in 1948, with a production target of 20,000 units per annum, required consistent material and labour supplies.[14] Production delays in 1948 were attributed to labour shortages, absenteeism and turnover.[15] Holden's 1948 annual report specifically mentioned that labour costs caused anxiety and the company 'had a long way to go before we can feel that our objective of improved labour efficiency and reduction in irresponsible absenteeism has been achieved'.[16] In 1948, to offset these issues, the company gave unskilled male workers at the Woodville plant

[13] See 'Vehicle Builders' Award', *The Age* (Melbourne), 7 May 1941, 14.
[14] GM-H Annual Report 1948, SLSA BRG 213/91/1941-1949.
[15] See 'G.M.-Holden's Sales Up', *The Sydney Morning Herald*, 22 May 1948, 4.
[16] GM-H Annual Report 1948, SLSA BRG 213/91/1941-1949.

the same uniform line wage rate as semi-skilled workers.[17] This amounted to a considerable increase for workers in lower paid jobs.

Holden's decision to increase semi-skilled workers' wages caused mixed reactions. Other motor body manufacturers, particularly the smaller ones, were concerned as they saw it as the potential start of wage escalation. For the VBEF the decision presented an opportunity to expand the wage increase to its members throughout the country and urged this during proceedings of the Commonwealth Court of Conciliation and Arbitration hearings in 1951. The union argued that, due to the conditions of line production, those workers should be paid more,[18] having arrived at this conclusion by drawing on the precedent of over-award payments made by companies such as Holden's since 1948.[19] The VBEF was eager for the Court to hand down its conclusions while labour shortages existed, but hearings lasted two years and produced over 6,000 pages of evidence. In April 1953, Conciliation Commissioner John Galvin handed down the Federal Vehicle Industry Award, which granted wage increases for 38 of the 239 employee classifications in the industry, and included a 40-hour five-day week, a fortnight's annual leave and overtime of time-and-half for the first four hours and double time thereafter.[20] According to Robert Tierney, the conservative VBEF, seeking closed shop agreements, lost an opportunity to make greater gains through judicious use of industrial action, such as one-day rolling stoppages.[21] However, for the VBEF to gain greater control over the rapidly

[17] Robert Tierney, 'Immigration and Production Line Margins in the 1950s Vehicle Building Industry', *Journal of Industrial Relations* 36 (1994), 28.
[18] Commonwealth Arbitration Reports, vol. 76, 1953, 299-301.
[19] Tierney, 'Immigration and Production Line Margins', 28.
[20] See 'Rise for Vehicle Builders, *The Advertiser* (Adelaide), 22 April 1953, 3.
[21] Tierney, 'Immigration and Production Line Margins', 34.

expanding workforce, a cooperative approach with the car manufacturers was necessary and, as argued by Thomas Bramble, ultimately proved fruitful.[22]

To attract and retain workers, Holden's provided other incentives besides over-award wages. The Service Loading Payment Plan (SLP) [sic], which commenced in November 1947 for hourly-rate employees, was based on service and was to encourage regular and punctual attendance.[23] The loading, though, was subject to penalty for lost time, such as stoppages or strikes at a rate of 6 per cent per hour.[24] The primary reason for the introduction of the SLP was to reduce labour turnover, which, during 1952, was 23 per cent, having dropped from 68 per cent the previous year.[25] As identified by scholars such as David Nye, high employee turnover was due to the repetitive nature of production line work that many found soul destroying, regardless of higher wages.[26] As the postwar economy began to boom and labour became scarcer, workers could be more selective in the work they undertook.[27] The second over-award payment scheme was the Merit Bonus Plan, which was designed to recognize individual merit and was paid weekly. Commendable work was recommended by the employee's supervisor and approved by the plant manager.[28] Over-award payments had become so commonplace that, by 1957, when requesting a £2 a week pay rise,

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[22] Thomas Bramble, 'Trade Union Organization and Workplace Industrial Relations in the Vehicle Industry 1963 to 1991', *Journal of Industrial Relations* 35 (1993), 44.
[23] Over Award Payment Plans, undated document, SLSA BRG 213/84/2.
[24] General Motors-Holden's Service Loading Payment Plan (SLP), RH 3/25/F268.
[25] GM-H Annual Report 1952, SLSA BRG 213/91/1950-1959.
[26] See David E. Nye, *America's Assembly* Line (Cambridge: MIT Press, 2013), 102-103; R. Stagner, 'Boredom on the Assembly Line: Age and Personality Variables', *Industrial Gerontology* 2 (1975): 23-44; C.R. Walker and R.H. Guest, *The Man on the Assembly Line* (Cambridge: Harvard University Press, 1952).
[27] See 'Employment', *Official Yearbook of the Commonwealth of Australia* (Canberra: Commonwealth Government Printer, 1957), 185.
[28] Over Award Payment Plans, undated document, SLSA BRG 213/84/2.

the VBEF and ACTU also demanded that over-award payments should be a right rather than an agreement.[29] By 1964, Holden's average over-award payment for employees was 23 per cent, totaling annually £4.175 million.[30] Further increases in over-award payments and concessions on assembly line working conditions were granted nationally in July 1973.[31] The over-award payments, ranging from $4 to $8 a week, resulted in wages being well above other similar industries.[32] However, with a precedent set, Holden's would never have been able to withdraw or reduce the conditions and payments.

Holden's and the unions also worked together to improve working conditions. Mimicking US car manufacturers, Holden's implemented various welfare policies at its Woodville factory. A sick and accident fund was formed in 1919 to assist workers during times of incapacitation due to illness or accident. Such was the fund's success that Holden's plants in Melbourne and Sydney created their own.[33] First aid stations were established in every section of the plant and medical treatment was available for employees and their families. Sports clubs, such as football, cricket, swimming and tennis, were popular, with grounds and facilities supplied and maintained by the company.[34] Entertainment clubs were formed. Musicians featured prominently, including several concert parties and a male choir formed in 1926.[35] The company's brass band performed throughout Adelaide, toured interstate, and was state champion in 1929.[36]

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[29] See 'Over-award Pay Asked as Right', *Canberra Times*, 16 April 1957, 10.
[30] Wages, undated document (c. 1964), SLSA BRG 213/84/2.
[31] R. W. Connell, *Ruling Class Ruling Culture: Studies of Conflict, Power, and Hegemony in Australian Life* (Cambridge: Cambridge University Press, 1977), 2.
[32] See 'Wage offer', *Canberra Times*, 11 July 1973, 9.
[33] See 'Holden's Body Works', *The Advertiser* (Adelaide), 23 October 1923, 18.
[34] See 'Contented Workers', *The News* (Adelaide), 6 September 1923, 6.
[35] See 'Workmen's Welfare', *The Mail* (Adelaide), 14 May 1927, 2.
[36] See 'Holden's Band', *The Advertiser* (Adelaide), 6 December 1929, 30.

Alexander Finlay, Secretary of the Coachmakers Employees' Federation, wrote enthusiastically to Jim Holden in January 1937. He thanked Holden for the Christmas-time bonus of a week's wage to all employees who had worked for more than six months during the year. Finlay went on to say that the 'expressions of gratification and goodwill expressed by your employees on every hand was something that I, as a Trade Union Official, had never heard before'.[37] These payments were outside award requirements and were not ordered by General Motors Overseas Operations (GMOO) in the US. If Holden's workers were employed over the Christmas period they would also receive a bonus on top of their pay.[38] Permanent staff off work for medical reasons for prolonged periods continued to receive pay.[39]

Improved conditions, particularly for those workers employed in dirty or harsh jobs, were an important part of union negotiations. In 1937, the company instigated a medical inspection of its Woodville plant. The subsequent report highlighted areas that needed improvement for worker welfare, such as better ventilation in the chrome bath section, more washing facilities, drinking water fountains and the establishment of a safety committee.[40] This was followed by a workers' compensation scheme for employees earning over £10 per week[41] and a company-run superannuation scheme in 1938.[42] And when staff enlisted after

[37] Letter from A. Finlay, Secretary Australian Coachmakers Employee's Federation, SA Branch to J.R. Holden, 4 January 1937, SLSA BRG 213/77/29.
[38] Memorandum from J.C. McKenzie to J.R. Holden, 17 November 1937, SLSA BRG 213/77/12/2.
[39] Memorandum from E.C. Poole, Acting Treasurer to J.R. Holden, 2 May 1938, SLSA BRG 213/77/32.
[40] Report by Office of the Medical Superintendent, 11 August 1937, SLSA BRG 213/77/12.
[41] Letter from B.C. Newland, Treasurer to J.R. McKenzie, 6 February 1937, SLSA BRG 213/77/13.
[42] Memorandum from J.R. McKenzie to J.R. Holden, 7 April 1938, SLSA BRG 213/77/12/2.

the outbreak of war in 1939, the company agreed to pay the difference between their regular salary and military pay.[43] What this demonstrates it that, even though much attention was given to wages and wage negotiations, working conditions were, at times, equally, if not more, important. While improved wages increased purchasing power and better living standards outside of work, enhanced conditions provided workers with a better working environment while at work and were an integral part of the relationship between Holden's and its unions.

Not all negotiations between Holden's and the unions over wages and conditions went smoothly. After 22 years of operation, Holden's announced the replacement of the SLP and Merit Bonus Plan with a new over-award plan in 1969. The new scheme drew the wrath of militant workers at Holden's Elizabeth plant because of the perceived loss of wages. 'This company has an arrogance coupled with stupidity', said shop steward leader Brian Mowbray. Reported in the communist newspaper, the Sydney *Tribune*, Mowbray went on to say that in 'civilised countries, negotiations are considered a means to reach agreement. The American sheriffs of General Motors-Holden and their Australian deputies evidently don't consider us civilised'.[44] Stoppages occurred in response to a refusal by the company to grant an unconditional 30 per cent over-award payment and restoration of the SLP. In response, Holden's introduced the Supplementary Payments Plan in December 1969,[45] a decision that placated those opposed to the replacement of the SLP. The over-award and bonus

[43] Memorandum from J.R. McKenzie to J.R. Holden, 24 October 1939, SLSA BRG 213/77/12/2.
[44] 'GMH Bosses "Stupid, Arrogant"', *Tribune* (Sydney), 24 September 1969, 1.
[45] GMH Annual Report 1969, SLSA BRG 213/91/1962-1969.

schemes implemented by Holden's, through the negotiation of unions, resulted in employees being well remunerated, but the company also provided other non-financial incentives.

Not all company incentives were financially based. Holden's introduced a range of didactic plans to improve worker education and facilitate promotion. One such scheme was the Home Study Course which was introduced in the early 1940s. Designed, according to its preamble, to provide 'to all who undertake it, a thorough grounding in the Principles governing the Operation of Automotive Units'.[46] Each course included detailed instructions for the student to learn while away from work, with many books extending over 350 pages in length. Holden's also implemented an internal travel prize for apprentices. The award, given annually, provided the winning apprentices travel to Holden's manufacturing plants in South Australia and Victoria with spending money.[47] Postgraduate research was promoted for engineering and design staff through a research fellowship plan. Commenced in 1957, the plan continued until 1979 when it was phased out as Commonwealth government scholarships became more readily available. The scholarship scheme at Holden's awarded over 400 scholarships, valued at over A$1 million.[48] Looking toward future staff, Holden's sponsored local high schools and ran Youth Achievement Programmes. In South Australia, from 1977, students at Elizabeth High School, established in 1961, could learn the methods of designing, manufacturing and taking a product to market. Products the students designed were made in the Trim Fabrication Department

[46] Home Study Course, GM-H Service Division, 1941, SLSA BRG 213/141/4.
[47] Travel awards for apprentices, SLSA BRG 213/141/6/2.
[48] GM-H National Study Conference, SLSA BRG 213/141/2/5.

and included mats, coasters and school binders. Although student retention rates were initially low for the seven-week course, they improved annually.[49]

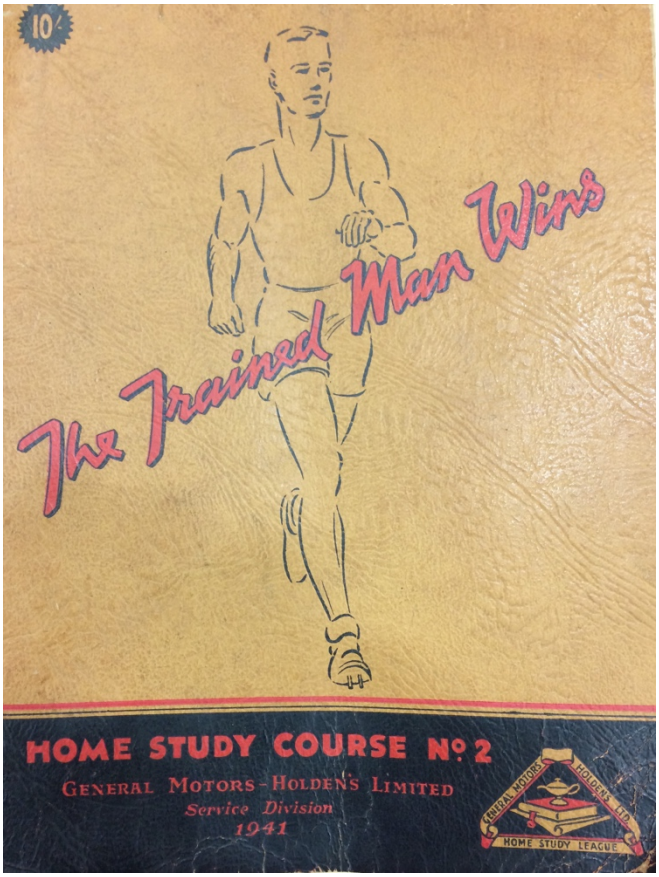

Image 3.1. 'The Training Man Wins', Home Study Course, 1941. Source: NAA MP76, 3/G134.

The culmination of union award negotiations at Holden's was the first company-specific federal vehicle industry award in Australia. Negotiations between the VBEF and Holden's commenced in April 1974,[50] with the resultant award becoming the first of its kind, separate from the Metal Industries award.[51]

[49] Young Achievement Programme, SLSA BRG 213/141/7/3.
[50] See 'GM-H', *Canberra Times*, 20 April 1974, 3.
[51] See Joe Isaac and Stuart Macintyre, *The New Province for Law and Order: 100 Years of Australian Industrial Conciliation and Arbitration* (Melbourne: Cambridge University Press, 2004), 267.

The new General Motors-Holden's Pty. Limited General Award 1974, included monetary increases and improvements in conditions and was to last 13 months, but with the allowance that the award could be re-opened through inter-union agreement on significant matters. Longer breaks during shifts were granted in an effort to reduce the impact of the repetitive nature of assembly line work. Worker classifications were simplified, women workers were to receive new rates, the highest in the industry, and apprentice wages were improved.[52] The new award became the precursor for other company-specific collective bargaining agreements, integrating bonus payments into take-home pay as a right rather than at management discretion.[53] Holden's and its unions, once more proved to be industry leaders in the negotiations of wages and conditions for their workers.

The relationship between Holden's and its unions was generally one of mutual understanding to ensure smooth production, unhindered by industrial disputes. Holden's and the unions negotiated employment agreements and wage awards that surpassed central wage indexation set by the federal government. To entice and, importantly, retain workers, Holden's also instigated bonus plans, non-monetary incentives and improved working conditions. Through the early engagement with unions, signing workplace agreements and accepting a closed shop, Holden's was able to contain industrial unrest that would otherwise impact production. The company's decision to form an accord with the unions directly

[52] See 'National Industrial News', *Tribune* (Sydney), 21 May 1974, 4.
[53] Thomas Bramble, 'Conflict, Coercion and Co-Option: The Role of Full-Time Officials in the South Australian Branch of the Vehicle Builders Employees' Federation, 1967-80', *Labour History* 63 (1992), 143.

opposed that of Holden's parent company in the US, where company-union relations, as will be seen in Chapter Five, were adversarial and often violent.

Inter-union relations: sometimes confrontational, mostly harmonious

Inter-union relations at Holden's varied greatly and were dependent on various factors including demarcation disputes and union desires to expand membership. Discord between unions was often over membership and claims of poaching were common, particularly during the Depression.[54] One of the earliest inter-union disputes began in 1936 between the three main unions at Holden's. In August 1936, following three years of ongoing argument, the AEU and ASE alleged intimidation of its members by the Coachmakers Employees' Federation.[55] According to newspaper reports, the dispute was over those employed in the tool and die department of Holden's. The Coachmakers' Employees' Federation claimed that the company was a motor body building firm rather than a general engineering business and, as such, the union covered all labour, including those in the tool and die department.[56] During a lunch-hour address, the secretary of the AEU, P. A. Elliott, was asked why it seemed they were fighting another union rather than the employer. He responded 'that the employers have given one union the right to supply labour'.[57] The engineers threatened to strike over the use of non-engineering union members being employed in the tool and die department, but the threat came to nothing. The dispute was resolved quickly, though the details of the settlement were not made

[54] See Sheridan*, Mindful Militants*, 114.
[55] As reported in 'Coachmakers win Holden's Dispute', *The News* (Adelaide), 28 April 1933, 7.
[56] See 'Coachmakers Charge Engineers', *The News* (Adelaide), 13 August 1936, 11.
[57] Quoted in 'No Stoppage at Holden's', *The Advertiser* (Adelaide), 13 August 1936, 17.

public. However, it was understood, according to the Adelaide *Advertiser*, that the two engineering unions were to provide labour, but if they were unable to supply that labour, then members of the Coachmakers Employees' Federation could be employed.[58] For new employees of Holden's, the agreement allowed them the choice of union within seven days of commencement of work. Demarcation disputes, such as this, always caused friction between the unions at Holden's and became more problematic with the rise of rank and file militancy, particularly in the 1970s as will be seen in Chapter Four.

While unions quarreled at times, they also united for the benefit of their members. When a secretary of the workshop committee was dismissed from Holden's in April 1943, the South Australian Trades and Labor Council (TLC), the overarching union body, demanded an inquiry by the government. The TLC alleged victimisation against the employee and conspiracy on behalf of the company's management against the war effort. The charges were taken seriously and the Minister for Labour, Eddie Ward, arranged an investigation by the Deputy Director-General of Manpower in South Australia, Leslie Hunkin. His inquiry found the charge that Holden's was sabotaging the war effort was unjustified, and any idleness in production was due to external factors, such as material delays. Holden's was cleared of all charges with Hunkin's report stating that the company's industrial relations record at no time reflected the accusations.[59] The accusation by the TLC was farfetched. Holden's contribution to the war effort, at all levels, was beyond reproach.

[58] See 'Labor News', *The Advertiser* (Adelaide), 21 August 1936, 14.
[59] See 'Holden's Cleared of Union Charges', *The News* (Adelaide), 19 April 1943, 3.

Union cooperation also worked on a national scale. Holden's worked alongside unions when the company encountered sluggish sales in the mid-1970s. Having come through a tumultuous industrial relations period, the ACTU, under Bob Hawke, called for union co-operation 'to plan future action'.[60] In May 1977, to avoid retrenchments, Holden's requested workers take a week's leave. This attracted the ire of the unions. The VBEF general secretary, Len Townsend, stated that the workers would not accept retrenchments due to poor business decisions by Holden's.[61] South Australian Premier, Don Dunstan, accused Holden's of 'high-handed behaviour' and was 'gravely disturbed by the precipitate manner in which GM-H has dealt with the unions this year'.[62] When the unions rejected Holden's plan, the company threatened to dismiss 600 workers in South Australia and Victoria. Following the threat of sit-ins and a refusal to accept dismissal notices,[63] the unions negotiated a lifting of bans for the dropping of the dismissals.[64] When necessary, the unions at Holden's readily joined together to offset company attempts to reduce its workforce or workers' wages and conditions.

The changing role of women in the motor vehicle industry

The Second World War greatly altered the industrial employment landscape. The demand on personnel for military service brought about by the war resulted in

[60] Quoted in 'GM-H should consider price cuts: Hawke', *Canberra Times*, 5 May 1977, 9.
[61] See 'Vital meetings on GM-H 'holiday'', *The Sydney Morning Herald*, 2 May 1977, 1.
[62] As reported in 'Union urges rejection of GM-H shutdown', *Canberra Times*, 3 May 1977, 3.
[63] Quoted in 'GM-H moves for new union talks', *The Sydney Morning Herald*, 14 May 1977, 3.
[64] See 'GM-H drops plan on dismissals', *The Advertiser* (Adelaide), 27 May 1977, 3.

women entering industry to fill the vacancies and achieve production quotas of war materiel. Holden's factories quickly transferred from civilian production to manufacture of essential war goods, and, as men departed for active service, many of their positions were taken by women. Women soon became an integral part of the industrial war effort and began demanding the same wages and conditions as the men they replaced. At the conclusion of hostilities, there was an expectation by unions, employers, male workers and government that there would be a resumption of pre-war employment practices and that women would surrender their jobs.

While many women returned to their previous occupations, some decided to remain a part of the workforce. In the motor vehicle industry, this decision caused consternation within union leadership that remained opposed to the employment of women in male-dominated positions. Despite these actions, women became a permanent feature as employees in car factories outside their traditional roles and increased their activity in the trade unions.

Women had been employed in the motor body building industry since its inception. Allocated to roles that were perceived as traditional 'women's' work, women workers at Holden's were employed primarily in the trim fabrication department. There they worked on sewing machines, stitching leather and fabric to form door trim and seat covers (see Figure 3.2). Women were not employed in sections that were seen as male-specific or dangerous, such as foundries. Women employees tended to be young and unmarried, reflecting a society that permitted women to work until marriage. After marriage, women were generally expected to become homemakers who would raise a family while the husband would work in an occupation that was close by.

Figure 3.2. Women workers in the trim fabrication department, c. 1925. Source: SLSA BRG 213/1/3/129.

As noted, the outbreak of war and subsequent enlistment of men for active service drained factories of male workers. To fill the vacancies, women were actively recruited, and this resulted in a major change in employment practices. By July 1942, according to Tierney, Holden's Woodville plant employed 1,330 women, an eight-fold increase since the outbreak of war. These women worked as machinists, assemblers, touch-up painters, and riveters.[65] With such an increase of women workers into previously male-dominated positions, regulation was introduced.

Employment of such large numbers of women led to government legislation. In 1942 the *National Security (Employment of Women) Regulations*

[65] Tierney, 'Immigration and Production Line Margins', 23.

and the *Women's Employment Act* were introduced and, to regulate the employment of women, the Women's Employment Board (WEB) was created. Official war historians, S.J. Butlin and C.B. Schedvin, noted that the WEB initially consisted of a chairman, and a representative from employers and employees.[66] This board altered later to include a second employee representative and one from the Commonwealth. Eileen Cashman, a Commonwealth factory inspector and trade unionist, was the only woman to serve on the WEB.[67] The WEB regulated wages, conditions and hours of employment for over 600,000 women workers throughout Australia until it was abolished at the end of the war. Employers were required to apply to the Board where they were employing or intending to employ women on work that was usually performed by men. Not until the Board had made a decision on the application could employers use female labour.[68] At times these decisions proved difficult. During a Cabinet meeting on 15 March 1943, the Minister for Labour and National Service, Eddie Ward, outlined difficulties associated with the WEB's powers and decisions as they, at times, clashed with the Arbitration Court.[69] The role of the WEB became fundamental in the employment of women during the war and it sought improvements in wages and conditions of women workers.

As women workers filled positions previously held by men, they soon queried pay differentials. Agitation for equal pay rates for women had been in

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[66] S.J.Butlin and C.B. Schedvin, *Australia in the War of 1939-1945: Volume IV, War Economy, 1942-1945* (Canberra: Australian War Memorial, 1977), 33.
[67] Alfred W. Foster, 'The Experience of the Women's Employment Board in Australia', *International Labor Review* 52 (1945), 633.
[68] As reported in 'Extended Powers for Women's Employment Board', *Canberra Times*, 24 December 1942, 2.
[69] Cabinet Minutes, 15 March 1943, NAA: Secretary to Cabinet/Cabinet Secretariat; A2703, Curtin, Forde and Chifley Ministries - folders of Cabinet Minutes (with indexes), 1 Jan 1941-31 Dec 1949; 42.

process in Australia since the First World War. Marian Quartly and Judith Smart discuss in detail how the National Council of Women (NCW), formed in 1931 from state-based organisations, lobbied the federal government on behalf of women for greater access to employment, better representation and equal pay.[70] During the war, the WEB increased women's wages, arguing that there should be no wage differentiation if workers' output was identical.[71] The federal government's economic consultant, reiterating the WEB's decision, delivered a report in September 1942 that stated

> it is necessary for us to attract women into industry, into many industries in which they have never worked before. If we want them to do men's work for us – and we do badly – we should be prepared to pay them what we have paid men for doing similar work in the past.[72]

Simultaneously, the WEB was hearing submissions by the VBEF in the South Australian Parliament House before Judge Alfred Foster. Appearing for the VBEF, P.J. Sheehan claimed that women should be paid equal rates for work previously done by men. Sheehan produced witnesses to support his case. Two women press operators from Holden's and three from Richards Industries (previously T.J. Richards) appeared before Sheehan. They presented testimonies that they worked on the same machines and their output was equal to that of the men. One witness from Holden's, J. Miller, stated that she had previously been an assistant

[70] Marian Quartly and Judith Smart, *Respectable Radicals: A History of the National Council of Women of Australia, 1896-2006* (Melbourne: Monash University Publishing, 2015), 23.
[71] See 'Equal Wages for Women', *The Advertiser* (Adelaide), 17 September 1942, 6.
[72] Memorandum from Office of Economic Consultant to Prime Minister, John Curtin, 29 September 1942, NAA: Records of the Economic Consultant (Wartime); CP6/2, Records of the Economic Consultant (Wartime – General files), 1940-1945; 32, Women's Employment Board, 1942.

to a male operator, but now was in charge of the press with another woman to assist and, as reported in the Adelaide *Advertiser*, 'liked her present job much better'. Her output was over two-fold more than the previous male operator.[73] In summarizing the proceedings, Foster said that women were working as efficiently as, and in some cases more effectively than, the men they replaced.[74] In early December 1942, the WEB ruled that adult women's pay rates were to be increased to 90 per cent of the male rate.[75] The WEB decision was a substantial advancement in women's equal pay claims, but when some employers refused to pass on the increases, women workers instigated industrial action.

The increase in numbers of women in factory employment also raised the likelihood of female militancy. When higher pay rates for women were not applied by the motor body building industry, women workers took industrial action. In June 1943, stoppages occurred at Richards Industries, Pope Products and Holden's over retrospective payment of the 90 per cent rate for women. At Richards, E. A. Shaw, Assistant Inquiry Officer, learned that over 300 women and several hundred male employees went on strike. The trouble arose because the determination of the WEB, in December 1942, to give women the 90 per cent rate did not cover all classifications of worker and subsequent changes had been delayed awaiting a High Court decision.[76] A further report by H.G. Sturcke, Arbitration Inspector, stated that the strike at Richards was the

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[73] Quoted in 'Equal Wages for Women', *The Advertiser* (Adelaide), 17 September 1942, 6.
[74] See 'Judge's Praise for Women in War Industries', *The Mail* (Adelaide), 19 September 1942, 3.
[75] See '90 p.c. of Male Pay for These Women', *News* (Adelaide), 8 December 1942, 3.
[76] Letter from E. A. Shaw, Assistant Inquiry Officer to Director, Commonwealth Investigation Branch, Canberra, 10 June 1943, NAA: Attorney General's Department; A472, Correspondence files, single number series with 'W' [War] prefix, 1 Jan 1939-1952; W14490, correspondence files, 1 Sep 1939-31 Dec 1949.

> culmination of considerable discontent amongst female labour generally throughout not only the Motor Body and Coach building Industry but also certain sections of the Metal Trades, in respect of females engaged in occupations previously performed by male labour.[77]

An internal report on the stoppages prepared by Holden's claimed that, since not all women were under the ruling, to not pay all workers the 90 per cent would result in industrial trouble. Following a hearing in March 1943, where it was agreed retrospectively to pay the increase, employers offered to do so over a period of time. This was rejected by the unions. Subsequently, the employers challenged the validity of the WEB. Holden's argued that, as no judgement had been made by the WEB in connection with the company, they need not comply with the ruling.[78] At a meeting of about 400 women workers at Holden's in August 1943, union officials – in an attempt to maintain industrial harmony between the union and Holden's - tried to persuade them to return to work, but they refused. Stoppages occurred simultaneously at Richards, beginning at its Keswick plant and extending to its Mile End branch soon after.[79] When it became clear that the women would pursue their grievance, the union changed tack.

The union altered its position, decided to support the women and commenced legal proceedings against the companies. General Secretary of the VBEF, Alexander Finlay, wrote to Prime Minister Curtin claiming that the

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W14490.

[77] Letter from H. G. Sturcke, Arbitration Inspector to Inspector, Commonwealth Investigation Branch, Canberra, undated, NAA A472, W14490.

[78] Report on stoppage of work of females at our Woodville plant on Thursday, 10 June 1943, NAA A472, W14490.

[79] Letter from H. G. Sturcke, Arbitration Inspector to Inspector, Commonwealth Investigation Branch, Canberra, undated, NAA A472, W14490.

situation in the metal trades was 'becoming desperate' and that, if retrospective payments were not forthcoming, further stoppages would occur.[80] At the same time, Acting Secretary of the Trades and Labor Council of South Australia, Albert Thompson, also wrote to Curtin. Thompson informed Curtin that women in 'industry generally have become impatient in awaiting finality to be reached, and consequently the Unions fear that they will be unable to control their members', resulting in 'wholesale stoppages'.[81] Holden's and Richards Industries combined to inform the Commonwealth Court of Conciliation and Arbitration on 30 December 1942 of the potential interruption of work by some female employees.[82] The matter was placed before Justice O'Mara who, after investigation, considered ruling that the higher paid work be shared equally by all women workers in the companies concerned. However, all parties involved thought that such a scheme would result in industrial disputes.[83] The matter was resolved through the payment of all women workers at the higher rate with the VBEF withdrawing its case against Holden's and Richards.[84] The equal pay demands of women workers in the vehicle building industry in South Australia increased union activity within the female workforce. When the employers, such as Holden's, refused to pay retrospectively, the women workers' reaction was

[80] Cable from A. Finlay, VBU General Secretary to Curtin, Prime Minister, 17 September 1943, NAA A472, W14490.
[81] Letter from A. B. Thompson, Acting Secretary of the Trades and Labor Council of South Australia to Curtin, Prime Minister, 14 September 1943, NAA A472, W14490.
[82] Letter from Baker, McEwin, Ligertwood & Millhouse Solicitors to Deputy Registrar, Commonwealth Court of Conciliation and Arbitration, 30 December 1942, NAA: Commonwealth Court of Conciliation and Arbitration; AP14, GM-H Ltd and Richards Ltd v. employees under Motor Body and Coachbuilding award – re rates for females and decision of WEB, 1943; 1/NS(SA)14/1942.
[83] Memorandum by Conciliation Commissioner, 30 April 1943, NAA AP14, 1/NS(SA)14/1942.
[84] Cable from VBU, SA Branch Secretary to Attorney-General's Department, Canberra, 22 November 1943, NAA A472, W14490.

militancy that rejected the union's preferences. While the outcome was empowering for the women workers, their efforts continued to face opposition from employers, unions and the male workers who were doing similar work.

Opposition to the continued employment of women, with improved pay rates and greater responsibilities, came from employers and trade unions alike. Companies such as Holden's had provided verbal assurances to union officials that once the war was over and men returned from active service the women would be replaced.[85] Unions feared that the continued use of women workers could possibly lead to lower wage standards, as employers would use cheaper female labour, resulting in fewer jobs for men. It was the intention of the WEB to allay any or all of these concerns.[86] However, with women's pay being only 54 per cent of male wages women constituted a large pool of cheap labour. According to labour historian Penelope Johnson, women appeared attractive to employers while at the same time threatened working class men's interests.[87] While this was the case, any large-scale employment of women in male roles at Holden's would have resulted in substantial industrial unrest. It would also have been a breach of trust of the relationship established over decades between Holden's and its unions.

While the WEB was a wartime measure that was disbanded at the end of hostilities, its work was continued within the Commonwealth Arbitration Court. The Minister for Transport, Eddie Ward, told a Cabinet meeting in September

[85] Commonwealth Court of Conciliation and Arbitration, Dispute 318, 1948, Transcript of Evidence, vol. 5, 1471-1472.
[86] Women's Employment Board, NAA CP6/2, 32.
[87] Penelope Johnson, 'Gender, Class and Work: The Council of Action for Equal Pay and the Equal Pay Campaign in Australia During World War II', *Labour History* 50 (1986), 135.

1944 that the trade union movement 'regarded the Women's Employment Board as a very definite advance in industrial legislation' and any abandonment would 'mean putting women workers generally back within the ambit of the Arbitration Court jurisdiction'. He suggested the Arbitration Court be given a direction with regard to women's wages.[88] Although the WEB's work was drawing to a close, Cabinet decided that union representatives be informed of the intention to explore possible changes to the Commonwealth *Conciliation and Arbitration Act* to fix minimum standards of wages in connection with awards obtained by women workers under the WEB's regulations to combat any potential annulment of awards.[89] In October 1944, new regulations were issued that transferred the WEB to the Commonwealth Conciliation and Arbitration Court, ending the conflict over jurisdiction between the two organisations.[90] During its brief existence the WEB oversaw the employment of women in positions that were previously closed to them. Throughout the war, women factory workers demonstrated their abilities to work as machine and press operators, riveters and assemblers, often at higher output than men.[91] Women were employed at Holden's in a large number of skilled and semi-skilled roles that were previously or typically performed by men.[92] While their fight for equal pay for equal work was not fully achieved, women workers did make substantial gains toward wage parity.

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[88] Cabinet Minutes, 25 September 1944, NAA A2703, 90.
[89] Cabinet Minutes, 25 September 1944, NAA A2703, 90.
[90] 'Abolition of the Women's Employment Board of Australia', *International Labor Review* 51 (1945), 777.
[91] See 'Judge's Praise for Women in War Industries', *The Mail* (Adelaide), 19 September 1942, 3.
[92] See '2,000 Women Affected', *News* (Adelaide), 19 November 1942, 3.

The struggle by women for equal pay for equal work continued after the war. Between 1938 and 1953, the number of women working in factories nationally increased by 66 per cent and had doubled in South Australia.[93] Despite these increases, during the 1949 Basic Wage Inquiry the Conciliation and Arbitration Court rejected a union claim for a basic wage for all adults. Justice Foster argued that the male basic wage, established by Higgins in the Harvester Judgement, was a living wage for a man, his wife and family and that equal pay would put a strain on the economy. He said that any wage increase would be for men due to their 'social obligations to fiancée, wife and family'.[94] However, the Court did increase the percentage of the male wage that women were paid under Commonwealth awards from 54 to 75 per cent.[95] With such an increase the equal pay for equal work movement grew. The Assistant Secretary of the Prime Minister's Department, Ronald Mendelsohn, wrote to the Prime Minister that, though he thought it was not exactly the moment for action, it was time to conduct preliminary work on the matter.[96] By 1958 Harold Holt, Liberal Member for Higgins and Minister of State for Labour and National Service, tabled a report before Cabinet summarizing the equal pay case. Holt concluded that 'the question of female wage rates is very complex' and that it was best for the Conciliation and Arbitration Commission to rule on the matter with the government's support.

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[93] *Official Yearbook of the Commonwealth of Australia* (Canberra: Commonwealth Government Printer, 1960), 166.
[94] Equal Pay for the Sexes, 1 May 1958, NAA: Secretary to Cabinet/Cabinet Secretariat; A5882, Gorton and McMahon Ministries - Cabinet files, 'CO' single number series, 1 Jan 1960-31 Dec 1985; CO307.
[95] See 'Increase of £1 in Basic Wage; Court Decision', *Canberra Times*, 13 October 1950, 1.
[96] Letter from Ronald Mendelsohn, Assistant Secretary of the Prime Minister's Department to Robert Menzies, Prime Minister, 5 January 1956, NAA A462, 37/4/7.

While unions promoted equal pay for women workers, some, such as the VBEF at Holden's, actively worked against women being employed in the motor vehicle industry. At the VBEF's federal conference in 1957 delegates decided that to ensure

> that the Vehicle Industry remains a predominantly adult male industry, this Council directs all State Branches to immediately advise the Federal Office of any encroachment of female labor in sections accepted as the province of males in order that prompt and strong action can be taken to maintain the present position which has existed since the commencement of the Industry in Australia.[97]

The decision was reaffirmed during the Union's 1963 and 1965 federal conferences. The attitude toward women in the vehicle industry was summarized in a poem penned anonymously, though presumably by a male worker, some time in the mid-1960s.

Vehicle Builders Union
Take heed take care
Vehicle Builders Beware
'Me and Lil'

When I first met Lil the case was clear,
And I talked of her in my sleep.
I called her 'precious', I called her 'dear',
But the boss considered her 'cheap',
For without regard to the work we did,
And simply as cock and hen,
He was paying me something like 15 quid,
While Lily got only ten.
'Oh, Lily' I said, 'you must leave this life,
Such discrimination is vile.
Let me be the breadwinner, be my wife,
And live in superior style'.
But Lily wrinkled her film star brow,
And said, 'If you aren't insane,
You had better enthuse your union now

[97] VBEF (SA Branch) Minutes, 5 August 1964, UM 101/37/V5.

For the Equal Pay campaign'.
'Oh, never bother your lovely head
With political stuff', says I,
'The boys will think I'm a dangerous Red
If I pitch them a yarn so high'.
But I wish I'd done it, I tell you straight,
For the minute the trade got slack
The boss kept Lil on the old cheap rate
And I was given the sack.[98]

The VBEF's 1957 federal conference decision on restrictive employment practices, however, was rejected by the ACTU, stating that its policy was for equal pay and equal opportunity for all.[99] Ironically, by 1964, car companies, including Holden's, encountering shortages of labour, actively sought women workers and requested compliance with the unions.[100] From this time on women were employed in a wider range of jobs at Holden's.

Significant advances were made over equal pay for women workers in South Australia. Following the 1965 election of the Labor government under Frank Walsh, education department teachers' pay was equalized over five instalments commencing in July 1966.[101] This was followed in 1967 by equal pay for thousands of women employed in the public service and private industry.[102] Nationally, various unions were pursuing equality cases and the ACTU, for the first time, applied to the Arbitration Commission for equal pay for women,

[98] Quoted in Zelda D'Aprano and Marilyn Lake, *Kath Williams: The Unions and the Fight for Equal Pay* (Melbourne: Spinifex Press, 2001), 149-150.
[99] See 'No Union Bar to Women', *Canberra Times*, 7 March 1957, 3.
[100] See 'Car Industry Seeks Women', *Canberra Times*, 10 April 1964, 11.
[101] Letter from H.A. Bland, Department of Labour and National Service to Secretary, Prime Minister's Department 12 September 1966, NAA: Prime Minister's Department; A463, Correspondence files, annual single number series with occasional 'G' [General Representations] infix, 6 Mar 1903-; 1966/2779, correspondence files, 1 Jan 1956-12 Mar 1971.
[102] See 'Women get equal pay', *The Advertiser* (Adelaide), 27 September 1967, 2.

having previously lobbied only state and federal governments.[103] The outcome of the Equal Pay Case was commended in June 1969 by Acting Minister for Labour and National Service, Billy McMahon. In a statement, McMahon called the decision 'a memorable landmark in the history of Australian wage fixation', and that the case recognised the changing status of women in industry and highlighted the altering social conditions in Australia.[104]

The concept of equal pay for equal work was expanded in the early 1970s. Its 1969 ruling set out staged increases in pay with regard to the claims it was dealing with.[105] In a subsequent Equal Pay Case in 1972, the Commission ruled that, rather than amending the 1969 judgement, it would alter the concept of 'equal pay for equal work' to 'equal pay for work of equal value' to better reflect the need for equivalency. The new principle, as recorded by J.P. Nieuwenhuysen, would be introduced over a two and a half year period.[106] The VBEF reported during a state executive meeting early in 1970 that, from January 1972, women would be at equivalent wage rates as men.[107] Matters were finalized by Cabinet in October 1972, when it was decided that it was 'inequitable that women doing work requiring similar training, skills and other attributes to that done by males should be paid at a lower rate'.[108] From then on, women began to receive equal pay. While this appears like a finalised victory for parity in worker pay rates of

[103] See 'ACTU will seek change by law', *The Advertiser* (Adelaide), 1 November 1967, 11.
[104] Statement by the Acting Minister for Labour and National Service, the Honourable William McMahon, 19 June 1969, NAA A5882, CO307.
[105] Commonwealth Conciliation and Arbitration Commission: Equal Pay Cases 1969, 19 June 1969, NAA A463, 1966/2779.
[106] J. P. Nieuwenhuysen, 'Equal Pay For Women in Australia', *International Journal of Social Economics* 1 (1974), 101.
[107] VBEF (SA Branch) Minutes, 4 February 1970, UM 101/37/V5.
[108] Cabinet Minutes, 24 October 1972, NAA: Cabinet Office; A5908, McMahon Ministry - Cabinet submissions, 12 Mar 1971-26 Oct 1972; 911.

women and men, the reality is that there remained pay discrepancies that continued to favour men.

As the number of women workers in car plants increased, so did their involvement in unionism. While the militancy of the wage strikes during the war increased the involvement of some women in unionism, much of this dissipated in the postwar period with the return of male workers. As has been seen above, unions like the VBEF actively dissuaded women from postwar factory employment and involvement in union activities. The rise of union activity by women workers in car plants was particularly apparent during the rise in worker militancy during the late 1960s and early 1970s. One very active and militant female unionist was Julia Twohig, a member of the VBEF, who worked as a scuffer and polisher at Chrysler, Tonsley Park. Against the wishes of VBEF leadership, Twohig and others formed the Rank and File, an unsanctioned group that sought to push changes that the VBEF was unwilling to pursue. In an oral history interview conducted for the State Library of South Australia in 2005, Twohig recalled how she decided to spread 'a bit of our sunshine'. She applied for work at Holden's Elizabeth assembly plant, being the first woman to work on the line, and soon after became a shop steward. At one time she led an overnight occupation of the administration block in protest over an outstanding log of claims.[109] Twohig's example, though, was out of the ordinary as union actions at Holden's were predominantly conducted by men and sanctioned by the VBEF as had been the case for decades.

[109] Oral history interview Julia Twohig, 2005, SLSA OH 740/47.

The motor vehicle industry in Australia was, from the beginning, a male-dominated industry. Wartime measures led to an increase in the numbers of women employed in factories producing war goods, but initially at the lower, legislated, wage rate. The establishment of the WEB resulted in awards and the Court of Conciliation and Arbitration being overridden in some areas of industry with women receiving 90 per cent of the male wage for similar work. However, once the war was over and the men returned home, unions, such as the VBEF, wanted these women workers to relinquish their jobs and resume their previous occupations. Many did, but others did not. As Australian society changed during the postwar period, women became a more visible part of the industrial employment landscape. However, although it took almost thirty years for pay equality to be legislated, women remained marginalised in the trade union movement in the car industry.

Holden's employment of women reflected wider industry employment policy. During the war years it was a necessity to employ greater numbers of women as men enlisted for military service. However, at the conclusion of the conflict, Holden's resumed its pre-war employment practices. Women continued in work that was labelled 'women's', such as in the trim and fabrication departments. Those working in all-male sections were made redundant. The trade unions at Holden's endorsed this decision fearful of the impact on male employment levels and wage rates if women were more widely employed. Once again, Holden's worked closely with its unions to achieve the desired outcome for both parties.

Mutual interests: unions, Holden's and tariff protection

While unions generally focused on improving the wages and conditions of their members, they also worked alongside employers to ensure industry growth. The most important area of mutual agreement between unions and Holden's were the tariffs legislated by the federal government. This section will argue that government protectionist policies were used by companies and unions in unison to protect their mutual interests. As discussed in Chapter Two, coachbuilder unions argued for tariffs in the late nineteenth century, but it was not until 1917, to support the nascent motor body building industry, that stricter protection was legislated. The concept of protection was widely accepted in countries that were developing industries. But after 50 years of tariff protection the Australian car industry was not as efficient nor competitive as it could have been. Aware of the need for reform the federal government reviewed the protective framework. However, rather than embrace the necessary changes to the industrial environment, companies, particularly Holden's, and unions worked together to prevent foreign competition and threatened widespread unemployment if the government removed protection.

Tariffs for the motor vehicle industry, from the outset, had been consistently higher than most other goods.[110] The Customs Tariff Validation Bill, debated in parliament in 1917, provided tariff protection for the embryonic motor body industry. This was followed a decade later by the Brigden Report, which argued that any alteration to protection would reduce Australia's high standard of living.[111] For economist Mahinda Siriwardana, Brigden's Report

[110] Peter Lloyd, '100 years of Tariff Protection in Australia', *Australian Economic History Review* 48 (2008), 106.
[111] J. B. Brigden, D. B. Copland, E. C. Dyason, L. F. Giblin and C. H. Wickens, *The Australian Tariff: An Economic Inquiry* (Melbourne: Melbourne University Press, 1929), 1.

'remains one of the classic pieces in Australian economic thought on protectionism'.[112] This protectionist policy reflected economic thinking at the time. Fledgling industries, in order to face well-established foreign competitors, required help through tariffs while they grew. Protectionism, according to Mario Crucini, also became more prevalent internationally as a means to offset unemployment caused by the Depression.[113]

Tariff policies, particularly in the motor body building industry, appeared to pay dividends. Addressing the Senate in 1934, South Australian Senator John Daly spoke of the growth of the motor body building industry in his state from employing 400 to 5,000 men between 1932 and 1934. He argued that the tariff barrier ensured this increase in employment, citing Holden's expenditure of £160,000 on one plant, and that any reduction would result in an increase in imports and local unemployment.[114] Daly's speech reinforced the argument for local secondary industry as a large employer and, in order to achieve this goal, the requirement for protectionist policies.

Protectionist policies continued until the need for reform in the motor vehicle industry required government intervention. Postwar easing of the importation of restricted goods commenced in 1953 (except for Japan).[115] However, for completed motor vehicles, distributors and buyers had to wait another seven years, providing Holden's new all-Australian car protection from

[112] Mahinda Siriwardana, 'The Economic Impact of Tariffs in the 1930s in Australia: The Brigden Report Re-examined', *Australian Economic Papers* 35 (1996), 370.
[113] Mario J. Crucini, 'Protectionism and Tariff Wars'. In *History of World Trade Since 1450* (Detroit: Macmillan, 2006), 611.
[114] *Commonwealth Parliamentary Debates* (Senate), 4 July 1934, 156.
[115] See 'Further Easing Of Restrictions', *The Sydney Morning Herald*, 4 July 1953, 1.

import competition.[116] To circumvent the restrictions, British car manufacturers established plants in Australia where they assembled complete knock down cars.[117] Complete knock down cars, better known as CKD, were motor vehicles that were manufactured elsewhere and imported to the destination country where they were assembled. Major car makers found this method easier and cheaper than establishing entire supply chains for all vehicle components. The first government attempt at reform of the industry was the introduction of local content plans in 1964. The plan allowed high-volume producers, such as Holden's, to import components duty free if 85 per cent of the vehicle was locally sourced. This resulted in a three-tier arrangement of makers, assemblers and importers. Makers, such as Holden's, Ford, Chrysler and Leyland, were those companies that manufactured cars with over 85 per cent local content. Assemblers produced cars with 55 per cent local content, and importers, sold vehicles that were fully assembled.[118] Ann Capling and Brian Galligan argue that these local content plans failed to reform an inefficient industry. Market share of locally produced cars dropped from 84 to 68 per cent between 1966 and 1973.[119]

Australian car makers pressured the federal government in an attempt to offset the impact of imports. Despite the continuation of a 45 per cent tariff, imported cars began to exert competitive pressure which impacted Holden's sales. In April 1968, charges of malpractice against Japanese motor vehicle

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[116] *Commonwealth Parliamentary Debates* (House of Representatives), 10 March 1960, 99.
[117] See 'Motor Industry', *The Sydney Morning Herald*, 2 September 1952, 9.
[118] Rattigan, *Industry Assistance*, 172. Importers, in a few instances, also completed some assembly work in Australia.
[119] Ann Capling and Brian Galligan, *Beyond the Protective State* (Melbourne: Cambridge University Press, 1992), 200.

importers had been laid in parliament. For John McEwen, Minister for Trade and Industry at the time, the car industry was 'vital to the prosperity of the country', and was 'the pacemaker for secondary industry in Australia'.[120] Manufacturers told McEwen they faced 'a crisis threatening their existence and future development'.[121] Following an inquiry, the government, under pressure from the local car makers, ensured increases in the retail prices of imported Japanese cars to comply with legislation.[122] Regardless of government attempts to reform, the car industry continued to be protected by high tariffs and used its position as one of the country's largest employers to prevent changes. Holden's, with union support, worked to ensure that government protection continued.

The tariff reform agenda, especially for companies such as Holden's, increased in importance during the 1960s. Tariffs had been the focus of changes since the appointment of Alf Rattigan as chair of the Tariff Board in late 1962.[123] Where the board had previously been an advisory organisation that governments had treated with a degree of ambivalence, under Rattigan this changed.[124] Rattigan's free trade beliefs, according to Leon Glezer, resulted in a clash with his superior, the staunch protectionist, Leader of the Country Party and Deputy Prime Minister, McEwen.[125] Rattigan outlined the much needed

[120] *Commonwealth Parliamentary Debates* (House of Representatives), 4 April 1968, 842.
[121] *Commonwealth Parliamentary Debates* (House of Representatives), 4 April 1968, 842.
[122] *Commonwealth Parliamentary Debates* (House of Representatives), 9 May 1968, 1319.
[123] Alf Rattigan, *Industry Assistance: The Inside Story* (Melbourne: Melbourne University Press, 1986), 9.
[124] Alan A. Powell, 'Probity before Pragmatism: Alf Rattigan, 1911-2000', E*conomic Record* 76 (2000), 301-302.
[125] Leon Glezer, *Tariff Politics: Australian Policy-making 1960-1980* (Melbourne: Melbourne University Press, 1982), 77.

reform process in the Tariff Board's annual report in 1967. The Board, reflecting the 1965 Vernon Committee of Economic Inquiry's findings,[126] proposed

> a progressive and systematic review of the Tariff consisting of an internal examination by the Board of the structure and levels of protection in the Tariff, together with public inquiries into the main areas of production where there has been no recent public inquiry and where the levels of protection are in the medium to high range.[127]

Writing soon after, Rattigan outlined that a review of protected industries, starting with the most highly protected, was necessary to understand whether those levels of protection were needed.[128] Rattigan's free trade beliefs and tariff reforms, however, were adopted only after a change in government.

The Whitlam government reform agenda was keenly watched by Holden's and the VBEF. In September 1973, the Prime Minister, Gough Whitlam, reported to Cabinet the recommendation of the Economic Committee to establish the Industries Assistance Commission (IAC).[129] The Commission was legislated to encourage the development and growth of efficient and internationally competitive Australian industries with minimal levels of assistance. The IAC was also to aid industries affected by structural changes in the economy.[130] According to economist W. Max Corden, the IAC's tariff reductions recommendations to a

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[126] Fred Gruen, 'Tariff Policies and the Tariff Board', *Australian Economic Review* 4 (1971), 37.
[127] Tariff Board annual report 1966-1967, NAA: Department of Trade and Industry; M58, Miscellaneous items including alphabetical electorate; general filing, and personal items, 17 Dec 1963-5 Feb 1972; 261.
[128] G. A. Rattigan, 'Improving the Quality of the Tariff Board's Advice', *Australian Journal of Public Administration* 29 (1970), 221.
[129] Cabinet Minute 24 September 1973, NAA: Cabinet Office; A5915, Whitlam Ministry - Cabinet submissions, 19 Dec 1973-31 Dec 1975; 671/1.
[130] *Industries Assistance Commission Act 1973* (Cth), s22(1).

uniform 25 per cent were a byproduct of the macroeconomic situation.[131] This was the largest tariff change in the postwar period up to that point and was implemented in a time of low unemployment and a trade surplus.[132] However, the recommendations, which were greeted with universal hostility, went against the vehicle industry tariff enquiry submission.[133]

Leading the car industry, Holden's and the unions argued strongly against any alteration of the tariff or the government's protectionist policies. The Caucus Economic Committee met a delegation from the unions and motor industry to discuss the IAC report in October 1974. Following the meeting, the committee recommended that employment be safeguarded, the South Australian economy be maintained by government policy, and a ten-year plan be created to promote business confidence.[134] The VBEF submission that followed outlined that the car industry was 'the backbone of the Australian secondary industry', and that expansion of the industry was essential for 'full employment and technological development'.[135] The union's submission recommended assistance be provided for employees affected by any changes and the creation of a research and development tax to finance research into 'the problems of tedium of work – on the assembly line in particular and in the mass production system in general'. It went on to demand the encouragement of the use of common parts and facilities,

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[131] W. Max Corden, 'Protection and Liberalisation in Australia and Abroad', *Australian Economic Review* 29 (1996), 144.
[132] R. G. Gregory, 'Industry Protection and Adjustment: The Australian Experience', *Prometheus* 3 (1985), 30.
[133] Capling and Galligan, *Beyond the Protective State*, 201.
[134] Holden's media release, 'Government Caucus Economic Committee', 25 October 1974, SLSA BRG 213/137/9/2.
[135] *Submission by the Federal Secretary of the Vehicle Builders Employees' Federation of Australia, Mr. R. E. Wilson, to the Tariff Board Enquiry into the Motor Vehicle Industry*, Vehicle Builders Employees' Federation of Australia, Melbourne (1973), 1.

a tariff differential to encourage local assembly of cars; and, finally, that the tariff authority required reform as it was influenced by political demands.[136] Corden countered these claims by stating that there would still be a considerable car industry in Australia even if there were lower – or no – tariffs.[137] Tariff reform was an essential government platform to improve the Australian economy.[138] However, the intention to remove inefficiencies in the economy were subverted by three parties. First was the car industry, to ensure profitability; second, unions, for continued improvements in wages and conditions; and thirdly, the South Australian government, who desired continued protection to ensure ongoing employment.

The lobbying by the car industry, led by Holden's, and the unions, by the VBEF, was successful. To placate all parties the federal government watered down the IAC's recommendations for the car industry. Tariffs on imported fully assembled cars that were less than, or equal to, 20 per cent of total car registrations would attract a tariff of 35 per cent. For those over 20 per cent, the tariff would be 45 per cent. While the revised tariff arrangement resulted in a drop in imports, they remained historically high.[139] Added to this was, from 1975, a new quota system, reduction in sales tax on locally produced cars, and the repeal of a proposed tax on company cars – all positive outcomes for Holden's. According to Rattigan, the changes were due to criticism by South

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[136] *Submission by the Federal Secretary of the Vehicle Builders Employees' Federation of Australia, Mr. R. E. Wilson, to the Tariff Board Enquiry into the Motor Vehicle Industry*, Vehicle Builders Employees' Federation of Australia, Melbourne (1973), 2-7.
[137] W. M. Corden, 'Australian Tariff Policy', *Australian Economic Papers* 6 (1976), 134.
[138] 'Australian Political Chronicle, May-August 1973', *Australian Journal of Politics and History* 19 (1973), 402.
[139] See 'Assembled car imports still high', *Canberra Times*, 19 February 1975, 1.

Australian Premier, Don Dunstan, who argued that changes to the tariff would lead to unemployment in secondary industries in his state.[140] The *Canberra Times* economics reporter, Warwick Bracken, wrote in January 1975 that the government's decision amounted 'to almost total capitulation to the motor industry' and that car buyers 'will continue to bear the cost of the tariffs and the new quotas'.[141] Assistant federal secretary of the Amalgamated Metal Workers Union, Laurie Carmichael, claimed the government and the Australian people were blackmailed by multi-nationals 'demanding profit levels beyond their previous levels of extortion'. He added that 'GMH and Ford use fear of unemployment as they threaten mass sackings' while 'laughing all the way to the Detroit banks'.[142] Although Carmichael attacked the multi-national corporations, such as Holden's, the outcome was partly what the unions had demanded from the government. The IAC recommendations of tariff reduction had been rejected and industry subsidies increased. In 1978, after more import pressure, tariffs were increased from 45 to 47.5 per cent on fully assembled cars. In his memoir, Rattigan recalled that the situation required revision or

> the level of long-term protection for a number of major Australian secondary industries would be determined on the basis of the protection required to keep every existing manufacturer in each industry operating profitably during an economic recession.[143]

[140] Rattigan, *Industry Assistance*, 204.
[141] Quoted in 'Taxpayers make all the sacrifices', *Canberra Times*, 29 January 1975, 1.
[142] Quoted in 'Blackmail Charge: Call for Probe into Multi-nationals', *Tribune* (Sydney), 21 January 1975, 4.
[143] Rattigan, *Industry Assistance*, 231.

By 1979, the IAC estimated that the government's protectionist policies were equivalent to a $1,000 million subsidy per annum. The lobbying by the unions and companies had paid off, despite the government preference for tariff reduction that would result in industry reform and making it internationally competitive.

Tariff protection of Australian motor body builders was designed to allow the young industry to develop and grow without encountering stiff competition from more established businesses. The concept of protection followed economic norms of the time and resulted in a strong industry. However, after 50 years of protection, tariffs became an impost on economic development resulting in less competition and leading to higher priced goods for consumers. When the federal government began the process of tariff reform it encountered stiff resistance from industry and unions. Companies, such as Holden's, and unions, like the VBEF, argued that any reduction in protection would result in unemployment in the industry. The government protectionist policies, such as tariffs, had been instrumental in the development of the motor vehicle industry. But when tariff reform was instigated by government, the industry and unions worked together to protect their interests.

Conclusion

At a meeting of the Vehicle Builders Employees Federation in February 1973, Stan Peers, leader of the VBEF shop stewards at Holden's Elizabeth plant, stood to move a resolution. Peers called for the workers at Elizabeth to condemn 'the GMH Management for its continuous lack of economic, moral and social responsibilities towards its workforce'. He continued:

> The vast GMH empire in Australia has come about as a result of our efforts and not of American Capital Investment. Therefore, we maintain to have an undeniable right to make or alter decisions appertaining to the company operations, which would affect our livelihood and the livelihood of others.[144]

Peers was calling for protest against the proposed removal of the Elizabeth body assembly division to plants in Victoria and New South Wales. When Holden's announced the move in June, Peers once more demanded action. His resolution called on the members of the VBEF to 'view with great concern' the removal of division and concluded that 'the effects of a rationalization move can only be of the utmost detriment to the livelihood of the South Australian worker'.[145] Peers, who had previously clashed with VBEF officials, demonstrated the changes in union membership that had occurred by the 1970s. Union leadership at Holden's, particularly the VBEF, encountered rank-and-file militancy that expected better outcomes from their union. Members, like Peers, questioned the relationship that the senior union officials had with the management of Holden's and demanded change. By this time the company and its workers had experienced substantial transformation, from the introduction of the all-Australian car in 1948 and the subsequent postwar boom in consumer durables, to the economic decline in the late 1960s and early 1970s.

This chapter has expanded the investigation of the role that trade unions played at Holden's. It has argued that the relationship between Holden's and its unions were based on a mutual understanding to reduce production disruptions through improved wages and conditions for workers. These improvements for

[144] VBEF Minutes, 14 February 1973, UM 101/37/V15.
[145] VBEF Minutes, 14 July 1973, UM 101/37/V15.

workers were achieved through the negotiation of agreements that ensured a closed shop and a fully unionised workforce, and improvements in wages above federal government award stipulations. These awards were supplemented by company incentives, such as bonuses and the use of corporate welfarism to induce compliance within the workforce and attract labour. The Second World War was a turning point in the employment of women in the motor vehicle industry. It resulted in improved wages for women and their increased involvement in unionism, despite a union leadership that saw women as threatening male employment. Government protectionist policies, it has been argued, were utilised by companies, such as Holden's, and unions to protect themselves from foreign competition. Eschewing a traditional concept of an adversarial relationship between company and unions, Holden's proved that it was willing, at an early stage in the company's history, to negotiate with unions for the benefit of the company and its workers. While this was predominantly the case, at times the expectations of workers did not align with those of Holden's management and this will be explored in the next chapter.

Chapter 4

The changing nature of industrial action: Three case studies of industrial relations activity at Holden's

Introduction

Industrial relations harmony is normally a goal for business and unions. When circumstances alter, such as a desire for increased wages or better working conditions, industrial action becomes part of the repertoire that unions and workers use to achieve their goals. Strike action is the strongest of choices available to workers and their unions to realise their demands. In a unionised workplace, the industrial relations process, typically, commences at the level of discussions between representatives of the company and the union. In the case of Holden's, negotiations were conducted between human resource managers and union officials from specific unions within the organization. The history of union interaction with Holden's is generally one of industrial harmony. Holden's management desired a compliant workforce that ensured a consistent flow of work and output. To bring about this state of affairs, as seen in chapters one and three, skilled workers were paid above the award wage and unions were integrated into the company's industrial relations policy. At times, though, these arrangements collapsed, resulting in industrial unrest and strike action.

The most powerful tool a union could use to achieve their demands is the strike. Writing in the early 20th century, US Sociologist E.T. Hiller broadly defined strikes as a form of collective or corporate action, that may be characterised 'as a concerted and temporary suspension of function, designed to

exert pressure upon others'.[1] His study of strikes was not based on their use as a tool for bargaining, but on the behaviour of the strikers and the techniques used to facilitate and control them. For Hiller the rationale of a strike was important.[2] Building on Georg Simmel's work in *Conflict* (1908), Lewis Croser in *Functions of Social Conflict* (1956) argues that 'a group defines itself by struggling with other groups'. Croser also notes Charles Cooley's work on groups in *Social Process* (1918), which argues that 'conflict and co-operation are not separable things, but phases of one process which always involves something of both'.[3] Although much of these sociological works concern themselves with the highest form of conflict – war – their analyses of the process of conflict are relevant to industrial disputes, especially strikes. Adding to this scholarship and expanding on Hiller's work, is Alvin Gouldner's *Wildcat Strikes* (1955), which argues that a strike is 'a refusal to obey' and wildcat strikes are 'an open expression of aggression'.[4] This is a valuable observation and is evident during the industrial action of the 1970s that was distinctly different to that which preceded it as the compact between Holden's and its unions was tried. In *Strikes: A Study of Industrial Conflict* (1952), K.G.J.C. Knowles states that the right to strike was part of workers' determination on the conditions of their work.[5] This was apparent in the first case study, where workers protested against the introduction of the time study system and its impact on their working conditions. The concept was expanded by Eric Batstone,

[1] ET Hiller, *The Strike: A Study in Collective Action* (Chicago: Chicago University Press, 1928), 12.
[2] Hiller, *The Strike*, 49-65.
[3] Charles Cooley, *Social Process* (New York: Charles Scribner, 1918), 39.
[4] Alvin Gouldner, *Wildcat Strikes: A Study in Worker-Management Relations*. (New York: Harper & Row, 1955), 66.
[5] KGJC Knowles, *Strikes: A Study in Industrial Conflict* (New York: Philosophical Library, 1952), 5.

Ian Boraston and Stephen Frenkel in *Shop Stewards in Action: The Organization of Workplace Conflict and Accommodation* (1977) and *The Social Organization of Strikes* (1978). They wrote that while workers generally would not want to strike, when they did it was because they felt that management was unfair or had broken an agreement.[6] This was evident in all the case studies. In the first it was a breach of trust over work performance; the second, a belief that profit should be shared more; and the third, on the failure to secure improved wages and conditions. Richard Hyman, in his analysis of a weeklong strike at the Ford plant at Halewood in Britain during June 1971, identified two types of strike. A 'trial of strength', a lengthy and disruptive stoppage that is costly to striker and employer; and a demonstration stoppage, which is more common though less well-known. Generally, according to Hyman, both are relatively brief and rapidly settled.[7] While this holds true for most industrial action that occurred at Holden's, it was not the case during the 1964 wage strike. As seen in case study three, this was a prolonged strike that began in a different industry and spread throughout the country, causing widespread disruption. However, Hyman's research is valuable for this thesis as the industrial action was occurring simultaneously as the rolling stoppages at Holden's. Although the strike is treated by most union negotiators as a last resort, it remains the most powerful action that workers have to exert pressure on employers to improve wages and conditions.

[6] Eric Batstone, Ian Boraston and Stephen Frenkel, *The Social Organization of Strikes* (Chicago: Blackwell, 1978), 46.
[7] Hyman, *Strikes*, 19-25.

Through the investigation of three major industrial disputes, the 1944 time study strike, the 1964 wage increase dispute and the 1970s rolling industrial actions, this chapter will argue that despite efforts by Holden's and unions, workers and management could not always agree. I will ask what were the conditions leading to the strikes and what were their outcomes? These case studies highlight three distinct reasons for industrial action with different outcomes, thus illustrating the range of demands and results during industrial action. Each case study will examine the origins and reason for the dispute, the actions of the workers, their unions and Holden's, and the result. The chapter will also place the disputes in their historical context in order to understand better the reasoning behind the demands and outcomes and changes over time. These case studies also demonstrate the range of industrial activities at Holden's and the reaction by the company to union demands, thus showing the importance of the relationship between Holden's, the workers and their unions. The chapter will end with a separate section of comparative analysis of the three case studies.

Case Study One: 'STRIKE AT HOLDENS: 5,000 Out Over Time Study': the 1944 time study strike.

The federal budget speech delivered to Parliament on 2 September 1942 by Treasurer Ben Chifley, spoke not only of the work that had been achieved by the Australian population through mobilization and sacrifice, but also of the future. Chifley announced that research into postwar reconstruction had commenced with the establishment of the Reconstruction Division of the Department of Labour and National Service in 1942. This work, he said, promised 'to be of considerable assistance in formulating plans to cover the very difficult period of transition from wartime to peace-time conditions'.[8] The government's postwar aim, continued Chifley, was the 'physical development of our country, linked with expanded production and increased population' through

> the development of primary and secondary industries, the provision of maximum employment, the prevention of profiteering and the control of prices, the maintenance and improvement of the standards of living of those engaged in rural as well as in industrial occupations, the carrying out of national works, the problem of housing the people, the question of national insurance, national health, and broadly, the general problem of social and national security in the difficult post-war world.[9]

For Chifley, the wartime sacrifice that was being made by the Australian population was to be rewarded by a postwar environment that would be prosperous and egalitarian. Not long after the September budget speech, in December 1942, Chifley was made Minister for Postwar Reconstruction to direct

[8] *Commonwealth Parliamentary Debates* (House of Representatives), 2 September 1942, 30.
[9] *Commonwealth Parliamentary Debates* (House of Representatives), 2 September 1942, 30-31.

the planning of postwar reconstruction.[10] This was followed in January 1943 by the appointment of Herbert C. (Nugget) Coombs to the newly created position of Director of Post-War Reconstruction. Coombs, who had been Director of Rationing and held a doctorate from the London School of Economics, came from Treasury where he had been an economist since 1930 and assistant economist at the Commonwealth Bank from 1935.[11] For official war historian Paul Hasluck, Coombs represented the rise of 'the planners', 'a new phenomenon in Australian government' who believed in the planned state.[12] The war necessitated central planning of the economy by the federal government that was overseen by public servants or other authorities, such as boards or commissioners. For people such as Coombs, this control meant greater economic efficiencies and benefits for the country as a whole.

By June 1943 it had become apparent that the danger of Japanese invasion of the Australian mainland had diminished. As Australian and US troops made advances against the Japanese in New Guinea, Prime Minister John Curtin was free to discuss postwar plans during the federal election campaign.[13] While on the hustings in July 1943, Curtin spoke of a need for a thorough scheme of social security allied with the pledge of full employment.[14] The subsequent electoral victory was, according to Curtin biographer David Day, 'a triumphant vindication of Curtin's war leadership'.[15]

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[10] David Day, *Chifley* (Sydney: Harper Collins, 2001), 384.
[11] See 'New Post for Dr. H.C. Coombs', *The Age* (Melbourne), 16 January 1943, 2.
[12] Paul Hasluck, *Australia in the War of 1939-1945: The Government and the People 1942-1945* (Canberra: Australian War Memorial, 1970), 445.
[13] Samuel Furphy, *The Seven Dwarfs and the Age of the Mandarins: Australian Government Administration in the Post-War Reconstruction Era* (Canberra: ANU Press, 2015), 49.
[14] See 'Mr. Curtin's Policy Speech', *The Advertiser* (Adelaide), 27 July 1943, 3.
[15] David Day, 'John Joseph Curtin'. In *Australia's Prime Ministers*. Michelle Grattan (ed.) (Sydney: New Holland Publishers, 2000), 236.

Throughout 1943, Australian newspapers reported on postwar reconstruction plans. South Australian readers learnt of Coombs's travel in April to the US and Britain to inspect those countries' postwar plans.[16] More important for workers was the announcement of the state's postwar development plans released concurrently with the appointment of Tom Playford as state minister in charge of Postwar Reconstruction in April 1943. Playford called for the establishment of a motor chassis industry to work alongside the existing motor body builders, tinplate production in Whyalla and wood pulp processing.[17] The following month, May 1943, the Department of Social Reconstruction at the University of Adelaide announced a research programme to determine a 10-year housing plan for South Australia.[18] At the same time, in a radio broadcast, Chifley spoke of the Government's policy 'to make Australia a land of happy homes with a job for every man or woman who wants one'.[19] By the end of 1943, readers of newspapers had been exposed to a constant flow of information on state and federal government postwar plans that looked to a better future.[20]

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[16] See 'Experience for Post-War Director', *The News* (Adelaide), 9 April 1943, 2; 'Dr. Evatt's Talks in Washington, *The Mail* (Adelaide), 3; 'Evatt Again Impresses America', *The Mail* (Adelaide), 5; 'Pacific Collaboration Needed After War', *The News* (Adelaide), 29 April 1943, 1.

[17] See 'S.A. Plans for Post-War Development', *The News* (Adelaide), 13 April 1943, 6; 'Motor Men to Confer on Post-war Problems', *The News* (Adelaide), 13 July 1943, 5.

[18] See '10-Year Plan for Homes', *The Advertiser* (Adelaide), 14 May 1943, 7.

[19] Quoted in 'Australia's Future', *The Advertiser* (Adelaide), 18 May 1943, 2.

[20] See 'Vocational Guidance Vital After War', *The News* (Adelaide), 11 August 1943, 6; 'Scheme for Secondary Industries', *The Mail* (Adelaide), 14 August 1943, 3; 'Planning Post-War Reconstruction', *The Advertiser* (Adelaide), 28 September 1943, 2; 'Girls May Help on Post-War Houses', *The News* (Adelaide), 4 October 1943, 5; 'Plans For Post-War Jobs', *The News* (Adelaide), 20 November 1943, 3; 'Economic Race in Post-War Years', *The News* (Adelaide), 12 November 1943, 5; 'Post-War Housing', *The Mail* (Adelaide), 13 November 1943, 11; 'Peace Training for Soldiers Soon', *The News* (Adelaide), 29 November 1943, 3; 'Federal Treasurer Outlines Aims', *The Advertiser* (Adelaide), 1 December 1943, 4; 'Business Men and Post-War World', *The Advertiser* (Adelaide), 18 December 1943, 4; 'Study of Postwar Problems', *The Advertiser* (Adelaide), 20 December 1943, 4.

Postwar planning was not limited to government initiatives. At a meeting of the Federal Council of the Chamber of Automotive Industries in April 1943, discussion included the problem of reabsorbing thousands of employees who were either on national service or engaged in munitions production. It was agreed to form plans for the postwar rehabilitation and expansion of the industry and request the federal government to revoke legislation restricting production and sale of motor vehicles.[21] As we saw in Chapters Two and Three, some trade unions, supported by the ACTU, advocated that the government legislate that women employed in factory work relinquish their positions on the return of male employees.[22] By the end of 1943, newspapers reported Allied advances in Italy, Ukraine and the South-West Pacific, while South Australian railway workers and Whyalla furnace workers went on strike.[23] With the perception that the greatest peril had passed, the sacrifice of luxuries and wage increases were no longer required and industrial action would be used to gain improvements. Reflecting this state of mind, the total industrial disputes nationally rose from 602 in 1942 to 785 the following year.[24] This section will answer the question 'what were the causes and outcomes of the 1944 strike at Holden's'? It will do this by arguing that the strike was caused by a long-held negative view by workers that time study methods would result in a 'speed up' of the assembly line. The decision by the workers and their union to take industrial

[21] See 'Post-War Problems of Motor Industry', *The Advertiser* (Adelaide), 20 April 1943, 3.
[22] See 'Women Disagree With Unions on Post-War Work', *The News* (Adelaide), 2 March 1943, 5.
[23] See '8th Army Beats Off Nazi Attack', *The News* (Adelaide), 26 November 1943, 1; 'Air Attack Switched', *The Advertiser* (Adelaide), 27 November 1943, 1; 'Railway Strike Paralyses Services', *The News* (Adelaide), 26 November 1943, 1; 'Whyalla Strike Continues', *The Advertiser* (Adelaide), 27 November 1943, 1.
[24] Roland Wilson, *Official Yearbook of the Commonwealth of Australia 1944 and 1945* (Canberra: Commonwealth Government Printer, 1947), 438.

action was reinforced by a perception that the war was being won and their sacrifices deserved compensation and reflected a wider, national, increase in strike activity.

Time study methods at Holden's: touchstone for dispute

The 1944 strike against Holden's use of time study methods was a reflection of workers' negative attitude toward the system. South Australian worker concerns over the use of time study methods were raised as early as 1935 by the Australian Coachmakers' Federation during negotiations for a new award in the federal Arbitration Court.[25] These demands for increased wages and conditions were driven, according to Keith Hancock, primarily by the revival of the motor body building industry after the Depression.[26] Hugh Longbottom, Holden's production engineer at its Woodville plant, provided evidence before the hearing on time study methods. In his testimony, Longbottom said that the 'object of a time study in its practical application was a measure of department performance, and as a costing function'. He added that '[i]t had no relation to incentive'.[27] He went on to explain that Holden's definition of standard time was the time taken to perform an operation or group of operations by an average competent workman over a long period of time.[28] In regard to individual performance, it was mentioned that no worker's name was associated with the

[25] See 'Coachmakers' Case in Arbitration Court', *The Advertiser* (Adelaide), 5 September 1935, 10.
[26] Keith Hancock, *Australian Wage Policy* (Adelaide: University of Adelaide Press, 2013), 599.
[27] Quoted in 'Time Study of Work', *The News* (Adelaide), 5 September 1935, 11.
[28] See 'Coachmakers' Case Continued', *The Advertiser* (Adelaide), 6 September 1935, 11.

study and the studies were not used to compare employees directly.[29] Foreman of Holden's panel fabrication shop, William Turnbull, stated that though there had been a 60 per cent increase in production from his department over the previous two years, there were 50 per cent more men employed and the difference of 10 per cent was not due to speeding up, but the use of steel dies rather than wooden ones.[30] Despite company reassurances, workers' concerns over the use of scientific management methods were not dispelled.

The time study system, also known as Taylorism or scientific management, was developed by the American mechanical engineer, Frederick Taylor, at the beginning of the twentieth century. His approach to production methodologies was to analyse the constituent operations of any task to its smallest detail in order to uncover inefficiencies and, therefore, to increase economy.[31] Although it has been argued that Taylor was not the founder of the concept, his name has subsequently been associated with it.[32] Manufacturers, particularly mass-producers, embraced the concept and implemented time study methods to improve output. However, workers were not always pleased with being timed at their work, and, for assembly line workers, this practice raised the ongoing issue of 'speed-up', placing greater load on workers. The concept of 'speed-up' was a change in pace of work through an increase in throughput, reduction in labour to complete a task or changes in the use of labour. Motor

[29] See 'Time Study of Work', *The News* (Adelaide), 5 September 1935, 11; 'New Award Sought', *The Age* (Melbourne), 5 September 1935, 3; 'Motor Body Workers', *Sydney Morning Herald*, 5 September 1935, 12.
[30] See 'Time Study of Work', *The News* (Adelaide), 5 September 1935, 11.
[31] David A. Statt, *The Routledge Dictionary of Business Management (3 ed.)* (London: Routledge, 2004), 166.
[32] Chris Wright, 'Taylorism Reconsidered: The Impact of Scientific Management within the Australian Workplace', *Labour History* 64 (1993), 38.

industry historians, H.A. Turner, Garfield Clack and Geoffrey Roberts, note that 'speed-up' was often cited as a source of complaint.[33] Workers felt that they were being placed under greater pressure to perform their functions faster, a notion reinforced by the concept and implementation of time-study efficiencies.

The introduction of time study methods into workplaces in South Australia resulted in industrial action by workers. Within two years of the arbitration case, workers at the Mile End foundry of Horwood, Bagshaw Limited ceased work in September 1937 following the introduction of time study methods.[34] Less than a year later, in April 1938, a motion was carried by the Coachmakers' Employees Federation at Trades Hall opposing the use of the time study for speeding-up production.[35] The union made it clear that it did not object to the use of time study methods provided it was not a means to increase production, or 'speed up'.[36] A month later, the Adelaide *Advertiser* reported that members of the Sheet Metal Workers' Union expressed strong hostility to the system. Its introduction, they argued, was intended to increase production that would reduce employment, and would only be accepted with a reduction of working hours.[37] In June 1939, Alexander Finlay, the General Secretary of the Vehicle Builders' Employes [sic] Federation (VBEF), the replacement of the Coachmakers' Employees Federation, opposed the implementation of time study systems in the industry. But he was prepared to concede that the study could be

[33] H.A. Turner, Garfield Clack and Geoffrey Roberts. *Labour Relations in the Motor Industry* (London: George Allen & Unwin, 1967), 169.
[34] See 'Mile-End Men on Strike', *The News* (Adelaide), 15 September 1937, 7.
[35] See 'Use of Time-Study System in Industry', *The Advertiser* (Adelaide), 13 April 1938, 32.
[36] See 'Time-Study System in Industry', *The Advertiser* (Adelaide), 14 April 1938, 24.
[37] See 'Sheet Metal Workers Oppose Time Study System', *The Advertiser* (Adelaide), 13 May 1938, 14.

used for costing purposes and that there be no incentives for supervisors to increase output or efficiencies in their departments.[38] The outbreak of war later in the year led to an abeyance of those concerns, but they were to return as the peril appeared to have passed.

As the threat of Japanese victory abated, Australia's wartime role and situation dramatically changed. Rather than serving a primary combat role, Australian troops had been surpassed by US forces as the advance on Japan moved away from New Guinea. Shortages and restrictions that had become commonplace in Australia began to ease in 1943.[39] Reporting in the press noted that lighting restrictions were relaxed in Queensland,[40] and newspapers were allowed a 5 per cent increase in the newsprint ration.[41] Federal Treasurer Ben Chifley's budget speech of September 1943 outlined the changes that Australia was encountering. He said that since his last budget the 'immediate danger to this country has now passed' and suggested that

> our efforts be re-organized not only to take account of the definite limit to our physical resources but also to ensure such balance between our military and civil activities as will make a maximum contribution to the allied war effort.[42]

This contribution came in the form of food production, not only for Allied forces in and around Australia, but also the United Kingdom, and became central to the

[38] See 'Objections to "Time Study" System', *The Advertiser* (Adelaide), 22 June 1939, 15.
[39] Hasluck, *The Government and the People 1942-1945*, 378.
[40] See 'Lights Brought Joy, But Threat Still Here', *Sunday Mail* (Brisbane), 14 February 1943, 4.
[41] See 'Increased Issue of Newsprint', *The Argus* (Melbourne), 30 September 1943, 2.
[42] *Commonwealth Parliamentary Debates* (House of Representatives), 29 September 1943, 155.

re-alignment of Australia's war effort. Through a price stabilization policy, prices had begun to fall. For instance, the cost of tea had decreased to its pre-war level and sales tax on textiles and clothing dropped from 12½ per cent to 7½ per cent.[43] Although Chifley concluded by saying that restrictions were still necessary, he also said that the country had 'entered the fifth year of hostilities with a much improved outlook'.[44] The improved military and economic situation altered the outlook of the Australian public.

The earliest wartime industrial dispute relating to the time study system occurred in Adelaide in March 1943 and demonstrated workers' strong opposition. Workers at Holden's and members of the VBEF, along with the union secretary, Alexander Finlay, were, according to the Adelaide *News*, 'bitterly opposed' to the system.[45] Finlay, an experienced advocate of the union and aspiring Labor Party senator, said that the system used stopwatches to record certain operations and the output of workers per hour and per day. Fatigue was deducted and a quota was established. In a subsequent newspaper article, a week later, the workers claimed that the 'system was an endeavor to get piecework results under day-work conditions'. The men decided, during a meeting at Trades Hall, to continue to work as efficiently as possible while the shop committee kept a close watch on the effect of the system.[46]

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[43] Roland Wilson, *Official Yearbook of the Commonwealth of Australia* 1946 and 1947, (Canberra: Commonwealth Government Printer, 1949), 462. For a complete discussion of the policy, see above, 458-462.
[44] *Commonwealth Parliamentary Debates* (House of Representatives), 29 September 1943, 166.
[45] Quoted in 'Use of Time Study System Opposed', *The Advertiser* (Adelaide), 20 March 1943, 3.
[46] Quoted in 'Munition Workers Oppose Tally System', *The Advertiser* (Adelaide), 29 March 1943, 3.

The issue returned in January 1944 during a meeting of the Amalgamated Engineering Union, the Australasian Society of Engineers and the VBEF. These three unions discussed the introduction of the time study system as it affected their members employed at Holden's.[47] On 20 January, the VBEF decided to hold a mass meeting of workers at Holden's Woodville plant to discuss what action they should take to combat the time study system, under what they labelled a 'watch-and-clock workman'.[48] In a secret ballot held on 24 January, the members voted overwhelmingly to cease work while the time study method continued. Holden's was informed of the outcome of the vote and the workers' desire to abolish the time study scheme with one union official calling it 'anti-Australian'.[49]

Worker resistance against Holden's decision to use time study was acute. As reported in the Adelaide *Advertiser* on 26 January 1944, the union declared the system as 'foreign' and one that the 'men hated'. Though the workers accepted that they had to work under it during the Depression, they now 'felt they were in a position to resist'. In reply, J. R. Holden stated that the system had been in place for nearly 20 years in Holden's and other Australian companies and that watches were an integral part of recording time. He said that it was the best method to garner information to answer specific questions in regard to production requirements such as building space and layout, machinery and tooling needs, and employment and training of staff. To address these questions

[47] See 'Officials of Three Unions Discuss Time-Study System', *The News* (Adelaide), 13 January 1944, 5; 'Unions oppose Time Study System', *The Advertiser* (Adelaide), 14 January 1944, 3.
[48] Quoted in 'Vehicle Builders Oppose Time Study Methods', *The Advertiser* (Adelaide), 20 January 1944, 3; 'Men May Act Against Time Study, *The News* (Adelaide), 20 January 1944, 5.
[49] Quoted in 'Strike Threat Over "Time" System', *The Advertiser* (Adelaide), 26 January 1944, 5.

J. R. Holden said that it was essential to know the length of time it should take to carry out each individual manufacturing process in order to form an intelligent estimate and plan outputs.[50]

Despite company explanations for the implementation of the system, Holden's workers went on strike. On the morning of 27 January, as workers in the machine room commenced work, a supervisor using a stopwatch entered the shopfloor. Workers immediately ceased work and summoned union officials. When management refused to 'refrain from introducing the time study system', as reported in the Adelaide *News*, a stopwork meeting was held and the workers resolved unanimously to accept the result of the ballot held on 26 January and to go on strike. The stoppage was to continue until the dispute was brought before the Commonwealth Conciliation and Arbitration Commissioner, Edgar H. Rowlands, or until Holden's withheld the study system pending a hearing by him.[51] Holden's, on 26 January, had informed Rowlands of the dispute under a National Security (Industrial Peace) Regulation, and he then informed the Commonwealth Arbitration Court. Albert Thompson, representative for the Australasian Society of Engineers, was heckled when he proposed to the strikers that, as a tactical move, they should not force a general stoppage. Thompson's argument was that the strike probably would not last more than 24 hours and his union could not afford 5,000 men on strike for an indefinite period. The response from the crowd was 'We once lived on rations'. Jim Toohey of the VBEF,

[50] As reported in 'Strike Threat Over "Time" System', *The Advertiser* (Adelaide), 26 January 1944, 5.
[51] See '5,000 on Strike at Holden's', *The News* (Adelaide), 27 January 1944, 1; 'Dispute at General Motors', *The Age* (Melbourne), 28 January 1944, 3; 'Stopwatch System Leads to Strike', *The Argus* (Melbourne), 28 January 1944, 12.

was reported by the Adelaide *News* as saying that the workers 'had been told that if they stopped work the Prime Minister would intervene and order them back to work with a flea in their ear'. He went on to say that it would be a surprise if the Prime Minister did not intervene with the Conciliation Commissioner hearing the dispute immediately and intervene to ensure rejection of the time study system. In response Holden's issued a company notice outlining its argument for the use of the system as the only scientific means of securing the necessary information to plan and implement efficiencies.[52]

Holden's broadened its approach to counter workers' perception of the use of time study methods. An unnamed Holden's research officer stated to newspapers in January 1944, that the system was used throughout the world and was 'simply a factory application of the very human principle of saving time in our daily lives'.[53] He used the examples of learning to get to the railway station in the minimum time to catch a train and that a cook book always specified the ingredients, methods and cooking times.[54] This was followed three days later by a statement by J. R. Holden, reported in the Adelaide *News*, who declared that he had no 'desire to prolong the present calamitous stoppage', but wanted to address comments made by Finlay about the time study system. He argued that the system was not new and was important to facilitate efficiencies in manufacture. He concluded by saying that the fact that the company had 'supported the union movement to the hilt is irrefutable evidence' that 'a fair day's work for a fair day's pay' was 'an integral part of this company's policy'.[55]

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[52] Quoted in '5,000 on Strike at Holden's', *The News* (Adelaide), 27 January 1944, 1.
[53] Quoted in 'Time Study Explained', *Mail* (Adelaide), 29 January 1944, 3.
[54] See 'Time Study Explained', *Mail* (Adelaide), 29 January 1944, 3.
[55] Quoted in 'Time-Study Defended by Holden's', *The News* (Adelaide), 31 January 1944, 3.

Public opinion, expressed in letters to newspaper editors, was divided over both the strike and time study methods. A letter in the Adelaide *News*, advocated turning 'stopwatches into "go" watches' and 'if stopwatches can step up production no objection to their use should be raised'.[56] In the Adelaide *Advertiser*, Ronald Wigg, an engineer, wrote that the time study system was an important part of the efficient running of production.[57] Responding to this, H. F. Collett of Wayville, disagreed with Wigg, asking the question that if production per worker had 'risen 40 to 50 times at least in the past 100 years', why had wages 'risen only about four times?'[58] Many of the correspondents were influenced by the wartime circumstances. Larry McBain, a former member of the RAAF, wrote in the Adelaide *News* that strikes would jeopardise the war effort and that any 'person who strikes in these vital times should feel ashamed'.[59] In the same newspaper, 'Served in Two World Wars' of Woodville North, wrote that strikers, instead of 'getting the best of everything' should be 'carrying their weight with our soldiers'.[60] The following letter, again to the *News*, under the heading of 'Slavery at Home', 'Worker' of Albert Park, said that the 'present-day evil of speeding up and overwork has succeeded the old evil of unemployment and the older evil of long hours for low wages'.[61] The strike was proving to be divisive and reflected back on the earlier strikes in January 1942 by waterside workers in Sydney who refused to load supply ships.[62]

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[56] Quoted in 'Objection to Time Study System', *The Advertiser* (Adelaide), 3 February 1944, 6.
[57] 'Views and Comments', *The Advertiser* (Adelaide), 9 February 1944, 6.
[58] 'Time Study', *The Advertiser* (Adelaide), 12 February 1944, 6.
[59] 'Out They Go', *The News* (Adelaide), 3 February 1944, 5.
[60] 'Veteran's Criticism', *The News* (Adelaide), 3 February 1944, 6.
[61] 'Slavery at Home', *The News* (Adelaide), 3 February 1944, 6.
[62] Hasluck, *Government and the People, 1942*-1945, 58.

Worker animosity of Holden's use of time study methods can best be summarized by one correspondent. Reg Reincke, a striker and also a prodigious author of letters to newspaper editors, wrote to the Adelaide *News* that the system, as practiced by Holden's before the war was used 'as a speed-up system' in conjunction with the threat of unemployment. With war production, where company profitability was set by the government, 'the watch was never seen on the job'. However, with the anticipated reintroduction of private vehicle production so, too, was the resumption of the use of 'the stopwatch'.[63] Reincke was in a unique position to comment as he claimed to be the assembly line supervisor of timekeepers and cost clerks at Holden's between 1935 and 1940 and, in his words, 'was responsible for the allocation of all the figures in relation to the group efficiency system in operation in this division'.

While debates about the validity or otherwise of the strike raged among the public, the unions continued to negotiate a settlement. In a letter to the United Trades and Labor Council of South Australia Disputes Committee, tabled at its meeting on 7 February, Finlay stated that the dispute had 'reached the stage where it is necessary … to co-opt the whole of the industrial Movement' and should be handled by the Dispute Committee.[64] During the same meeting, a telegram was submitted that had been received from the Minister for Labor and National Service, Jack Holloway. It called for an investigation to be carried out and, if an extension of the time study system was found, then Holden's would be

[63] 'Letters to the Editor', *The News* (Adelaide), 4 February 1944, 5.
[64] United Trades and Labor Council of South Australia Disputes Committee minutes, 7 February 1944, SLSA SRG 1/1/14.

directed to withdraw this, pending the hearing of the case.[65] The meeting resolved that a delegation meet Holden's management to reach an agreement to resume work.[66]

Although Holden's response was to negotiate with the unions it was to rely on legislation for support. The union delegation met with Holden's management and agreed on terms of settlement the following day and submitted them for approval at a mass meeting of employees. The unions accepted Holden's argument that there had been no extension of the time study system, and that it would best be resolved in the arbitration court. However, any employee believing the application of the time study system was unfavourable to them had a continued right to bring a complaint to management through the union. Finally, on acceptance of these terms, work was to be resumed on the morning of 10 February.[67] The recommendations were put before a mass meeting in Botanic Park in Adelaide, where such meetings were usually held. Rienke, submitted a resolution to reject the recommendations and requested

> the continued support of the Trades & Labor Council to get both financial and moral support of all industrial organisations in Australia until Holdens withdraw [sic] time study system pending the Court hearing, or until ordered back to work by Mr Curtin.[68]

[65] United Trades and Labor Council of South Australia Disputes Committee minutes, 7 February 1944, SLSA SRG 1/1/14.
[66] United Trades and Labor Council of South Australia Disputes Committee minutes, 7 February 1944, SLSA SRG 1/1/14.
[67] United Trades and Labor Council Disputes Committee Meeting minutes, 8 February 1944, SLSA SRG 1/1/14.
[68] United Trades and Labor Council minutes of mass meeting, 9 February 1944, SLSA SRG 1/1/14.

Despite Finlay's support for the recommendations, Rienke's resolution was carried on voices and a show of hands. However, the federal government stepped in with a direct order from the Prime Minister, under the National Security (Industrial Peace) Regulations, to return to work. This carried considerably more weight and, according to the Adelaide *News*, at a factory gate meeting lasting less than ten minutes, the workers decided to comply with the regulations and the

Image 4.1. Strikers vote at a mass meeting in Botanic Park, Adelaide. Source: *News* (Adelaide), 9 February 1944, 3.

direction of the Prime Minister.[69] While this was not the outcome that the union desired, the Disputes Committee was aware that the real purpose for the

[69] See 'Strikers Back on Job', *The News* (Adelaide), 10 February 1944, 3.

industrial action was to be fought before Judge Thomas O'Mara.[70] For the unions, the matter had not concluded.

While the workers returned to their jobs, negotiations in the federal conciliation court began. Hearings commenced in Adelaide before Judge O'Mara, Judge of the Commonwealth Court of Conciliation and Arbitration, on 7 March. O'Mara, a recognised authority on industrial law, had been appointed to the position in March 1939. After serving in the Anzac Mounted Division during the First World War, O'Mara began legal studies while working in the Crown Law Office. He graduated with honours in 1924, but did not begin practice as a barrister until 1930, acting as legal officer of the Department of Labour and Industry in the interim. His opinions on Commonwealth and State arbitration matters were regularly sought and he practiced extensively in these jurisdictions and before the High Court of Australia.[71] Appearing before O'Mara were S.C.G. Wright for Holden's and Francis Villeneuve Smith, KC, for the Vehicle Builders' Employees Federation. The hearing was concluded on 14 June and O'Mara delivered his judgment in September.

[70] United Trades and Labor Council Disputes Committee Meeting minutes, 10 February 1944, SLSA SRG 1/1/14.
[71] See 'New Judge', *The Sydney Morning Herald*, 15 March 1939, 14.

Image 4.2: Judge Thomas O'Mara. Source: *Sydney Morning Herald*, 15 March 1939, 17.

The ruling of the Conciliation Court upheld the time study system, but with qualifications. In his judgment, as reported in the Adelaide *Advertiser*, O'Mara said the objection to the 'mere taking of time by a stop-watch must be brushed aside as frivolous' but the time study system, 'unless regulated or coupled with a task bonus or piecework was one which tended to unreasonable demands being made upon workmen'.[72] O'Mara agreed that Holden's case was that such a system was important for the purposes of estimating, planning, and costing. But he queried whether the system was as important as the company argued. He also stated in his judgment that the time study system was a source of

[72] 'Time Study at Holden's', *The Advertiser* (Adelaide), 6 September 1944, 5.

irritation for the workers.[73] With this in mind, O'Mara considered prohibiting the use of time study for specific occupations of craftsmen.

The mention of craftsmen in O'Mara's ruling reinforces the changes that had been occurring in the metal trades. As mass production methods were introduced throughout manufacturing, particularly in motor vehicle factories, the role of highly skilled tradesmen was changing. Craftsmen, with many years of experience following long apprenticeships, were not required to the same extent. On the contrary, rolling production lines required semi-skilled workers who were trained for particular tasks which would be repeated throughout the working day. This transition from 'craft' work, which had been synonymous with the coachbuilding industry, was difficult for those employed as craftsmen and those, such as O'Mara, who were passing rulings and legislation. The law was lagging well behind the pace of technological advance.

In response to O'Mara's ruling, the unions concerned determined to implement a national policy. The President of the United Trades and Labor Council, Tom Garland, at a mass meeting of Holden's employees at the Woodville plant on 6 September, suggested that it had now become a matter for discussion by the federal councils of the unions involved.[74] Three weeks later, at another mass meeting, it was decided that the unions' attitude to the time study system was a national question with the federal union council's meeting in November to review the system in the motor body building industry. A further decision was made that the unions confer with Holden's in an attempt to control use of the

[73] Vehicle Builders' Employees Federation Annual Report, year ending 30 September 1944, SLSA SRG 1/1/15.
[74] See 'Opposition to Time Study', *The Advertiser* (Adelaide), 7 September 1944, 5.

time study system.[75] It became clear that though O'Mara's decision was begrudgingly accepted as it was law, the outcome was to be countered where possible by the union and its members. Throughout the dispute Holden's refused to change its position on the use of time study methods, arguing that any mass-production factory needed to implement the latest technology to increase efficiency and remain competitive. This reflected the changes that had occurred in secondary industry in Australia and internationally with the rise of production line facilities and the changed nature of the workforce. Despite union resistance, the company was well aware of the political climate and that federal legislation would return strikers to work and used it to its advantage.

[75] See 'Time Study System', *The Advertiser* (Adelaide), 28 September 1944, 5.

Case Study Two: 'This is the highest profit ever made by a private company in Australia': the 1964 wage strike.

While the 1944 strike at Holden's was triggered by the expansion of the time study system, the 1964 strike was over wages and charges of excessive profits made by major companies. The intervening twenty years had seen the end of the war and the postwar boom that had resulted in full employment, high demand for consumer durables and a changing Australian society through mass immigration. Following the November 1963 federal election that returned the conservative government with a larger majority, economic conditions continued to improve.[76] The federal budget aimed to be slightly deflationary, removing a personal income tax rebate and increasing company tax. Sales tax on motor vehicles rose from 2½ per cent to 25 per cent, along with increases in excise.[77] For the chronicler in the *Australian Journal of Politics and History*, the early part of 1964 'was a mixed bag of industrial events with political consequences'.[78] A union claim for an increase in the basic wage was successful, but was mitigated somewhat by price rises. Major strike action by transport workers was averted during April when the Conciliation Commission granted improved award penalties. The ACTU attempted to downplay industrial action, particularly action perceived to be reducing the organisation's control over trade unions.[79]

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[76] 'Australian Political Chronicle January-April 1964', *Australian Journal of Politics and History* 10 (1964), 226.
[77] 'Australian Political Chronicle May-August 1964', *Australian Journal of Politics and History* 10 (1964), 371.
[78] 'Australian Political Chronicle May-August 1964', *Australian Journal of Politics and History* 10 (1964), 372.
[79] 'Australian Political Chronicle May-August 1964', *Australian Journal of Politics and History* 10 (1964), 372.

As the economy continued to be buoyant and companies expanded, Australian industry faced shortages in skilled labour. In response to a parliamentary question on employment, Senator John Gorton stated that the country had arrived at a position of insufficient skilled workers to fill the jobs available.[80] To alleviate the skills shortage, the government increased the number of migrants entering Australia, with many travelling by air to expedite their arrival.[81] As a supplementary measure, the government proposed to introduce training schemes for unskilled adult workers.[82] What had become apparent by the middle of 1964 was that Australian skilled workers were in high demand for positions in secondary industry.

This section will establish the causes and outcomes of the 1964 wage demand strike at Holden's. It will argue that, although conditions in 1964, such as high company profitability and low unemployment, were ideal for unions to demand wage increases, the outcome of the strike was far from expected. Holden's refused to accept union demands and confronted the unions. Although Holden's halted the strike, the company ultimately increased wages, thus demonstrating that its ongoing close relationship with the VBEF was beneficial for both parties.

Full employment and big profits: the apogee of the postwar boom

The phenomenal postwar growth of the Australian economy may have slowed by 1960, but big company profits had not. In 1950 the communist newspaper the

[80] *Commonwealth Parliamentary Debates* (Senate), 6 May 1964, 948-949.
[81] *Commonwealth Parliamentary Debates* (House of Representatives), 5 March 1964, 283.
[82] *Commonwealth Parliamentary Debates* (House of Representatives), 5 May 1964, 1487.

Sydney *Tribune*, reported on the exceptional profit growth of various Australian companies, all of which, the newspaper argued, had been at the cost of workers. South Australian wool firm, Bennett and Fisher, Ltd., for example, increased its 1946 profit of £24,865 to £116,918 by 1950.[83] Australia's largest company, BHP, saw massive profit increases. The company reported £779,292 profit in 1946, which, by 1950, had risen to £1.3 million, its second highest to date, and by 1959 had topped £10.2 million.[84] The post-war economic boom was in full swing, filling company coffers.

These profits came to the attention of Federal politicians and became issues of extended discussion in federal parliament. In September 1960, Leader of the Opposition, Arthur Calwell, questioned the role of big business, saying that 'BHP had made a mockery of all Government policy. Steel prices had risen, steel profits had become bloated and steel shareholders had benefited from a generous bonus issue of shares, while steel workers' wages had remained frozen'. Calwell's criticism was not limited to BHP. He also attacked the Ford Motor Company's failed promise of a cheaper model, saying that, in fact, the company's new model was more expensive.[85] It was not long before Australia's second largest company was targeted.

[83] 'Huge Profits From Cars, Wool, BHP', *Tribune* (Sydney), 22 September 1950, 6.
[84] See 'BHP Profit £10.2m', *Canberra Times*, 21 August 1959, 11.
[85] See 'Big Companies Assailed by Mr Calwell', *Canberra Times*, 19 September 1960, 3.

Image 4.3. 'Weg's Day'. Source: *News* (Adelaide), 1 September 1954, 13.

The scale of Holden's profitability became a point of focus for the general public. In 1938 Holden's profit exceeded £1 million for the first time.[86] The profit was so great that the financial editor of Melbourne's *Argus* noted that the result was 'conspicuous in the commercial history of the Commonwealth'.[87] By 1954, it had risen to £7.25 million, a record for any public company in Australia at the time.[88] Holden's profitability, though, attracted criticism. From the pulpit of St. Stephen's Presbyterian Church in Sydney, Reverend Gordon Powell claimed that Holden's profits, though a major achievement would 'do much to stimulate the growth of Communism in Australia'. Only by dropping the price of Holden's cars

[86] Annual Report and Balance Sheet 31 December 1938, SLSA BRG 213/91/1932-1940.
[87] See '£1,005,773 in Profit', *Argus* (Melbourne), 22 April 1938, 1.
[88] See '£7¼m GMH Profit a record', *Sun* (Melbourne), 27 August 1954, 1.

through a reduction in tax would the federal government have 'the real welfare of this country at heart'.[89] The association of profits and communism may appear odd. However, Powell's argument was based on the concept that the inability of everyone to afford a new car, accompanied by huge profits by Holden's, would promote radical thinking. What Powell proclaimed from the pulpit gained momentum in the wider community and parliament. By 1955, the issue of profits was raised in federal parliament. Opposition member for Phillip in New South Wales, Joseph Fitzgerald, argued that the 'Government has consistently refused to take action to stop this wholesale robbery of the Australian people' and that as the wealth was produced by the people it should be more equitably distributed.[90]

Another opponent of 'enormous profiteering', was Leader of the Opposition, Dr. Herbert Evatt. A talented lawyer and the youngest judge to be appointed to the High Court, 'Doc' Evatt won the seat of Barton in New South Wales for the Labor Party in 1940. When the Labor Party took office in 1941, Evatt was appointed Attorney General and Minister for External Affairs. His wartime years were spent promoting Australian and regional interests, often to the chagrin of Britain and the US, and he was prominent at the United Nations negotiations in San Francisco in 1945. Following Parliamentary defeat in 1950 Evatt, in the High Court, defended, and won, the Waterside Workers' Federation challenge to the Communist Party Dissolution Act 1950. This work drew anger from the right-wing of the Labor Party, particularly Victorian Catholics who were sympathetic to sectors of the labour movement that were attempting to prevent

[89] Quoted in 'Pulpit Criticism On Holden Profit', *The Sydney Morning Herald*, 10 August 1953, 5.
[90] *Commonwealth Parliamentary Debates* (House of Representatives), 1 September 1955, 287.

communists taking control of trade unions. Controversial and erudite, Evatt held high principles with a keen sense of justice.[91] In an address to Fremantle lumpers (stevedores) in November 1955, Evatt, now leader of the Labor Party, singled out Holden's as a 'notorious case' of profiteering. He said that though they 'produce a good car' they were charging too much.[92] By this time Evatt had become notorious himself for exposing company profits and demanded greater control of pricing and earnings by the federal government.[93]

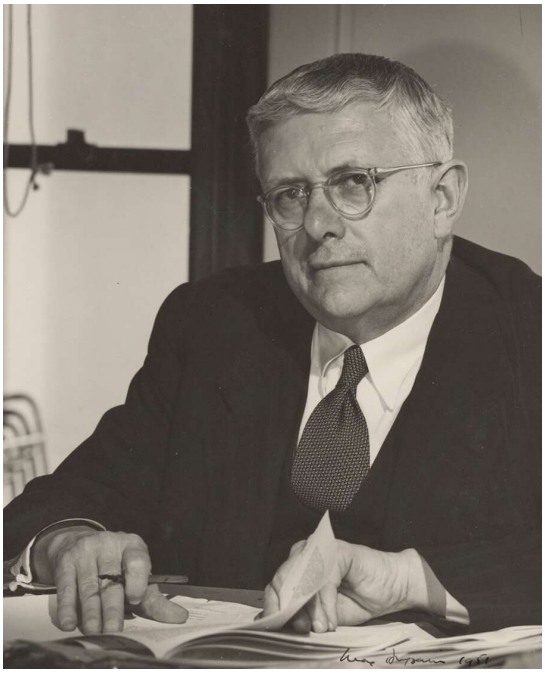

Image 4.4. Herbert 'Doc' Evatt. Source: National Library of Australia.

Holden's had always been aware of public perception of its profitability. As early as 1938, when the company reported a profit in excess of £1 million,

[91] G. C. Bolton, 'Evatt, Herbert Vele (Bert) (1894-1965)', *Australian Dictionary of Biography* (Canberra: Australian National University, 1996). http://adb.anu.edu.au/biography/evatt-herbert-vere-bert-10131. Accessed 3 February 2016.
[92] Quoted in 'Evatt Attacks G.M.H. Profits', *Canberra Times*, 18 November 1955, 1.
[93] See 'Evatt's attack on profits', *Sun* (Sydney), 25 April 1951, 7.

managing director, Laurence Hartnett, requested a bonus scheme of 6 per cent of profits for employees. What GM Overseas Operations in New York permitted Hartnett to do was issue a bonus for those who earned over £600 per annum on a sliding scale with those earning more receiving a bigger share.[94] The benefit was for executives rather than workers. The question over excessive company profits was not raised again until the mid-1950s. In August 1955, in response to Evatt's charges of Holden's profits, managing director Earl Daum told newspapers that he refused to 'enter into a political argument'.[95] One company director, C.W. Cranson, wrote to Jim Holden in September 1955 discussing the need to spend profits in order to dispel potential backlash from the Australian public over Holden's large profits and the remittance of those profits to the parent company in the US. He wrote that due to the high demand for their cars, any reduction of price would increase demand further and result in black market sales, where cars would be purchased at the lower price and sold on quickly at a higher price satisfying demand. However, Cranson felt that Australia had gained the most through increased foreign investment, local production and employment, and the encouragement of other vehicle makers.[96]

As Holden's profitability increased during the postwar boom unions demanded equitable distribution. When profits exceeded £11 million in 1957, the VBEF federal secretary, Robert Wilson, said that those who helped produce the car should receive more. Wilson called for a reduction in the price of the Holden car, as well as spare parts.[97] In 1959, the ACTU, citing Holden's profits,

[94] Hartnett, *Big Wheels and Little Wheels*, 84.
[95] Quoted in 'No argument with Dr Evatt', *The Argus* (Melbourne), 2 August 1955, 5.
[96] Letter from C.W. Cranson, Director, to J.R. Holden, 4 September 1955, SLSA BRG 213/72/1.
[97] See 'G.M.-H. Profit Excessive, Claims Union', *Canberra Times*, 3 June 1957, 1.

demanded a £6/6/- a week margin for skilled tradesmen, instructing its members to engage in direct bargaining to increase margins, which had not been raised by the Commonwealth Arbitration Court since 1954. With Holden's profits in excess of £15 million in 1959, the VBEF stated it was justified in its claim for higher wages.[98] The ACTU report, 'Australian Wage Brief', stated that Holden's profits were so high in 1964 that 'the company could have given a Holden, free of charge, to each one of its 23,128 wage and salary workers, and it still would have had a generous profit left'.[99]

The call for a more equitable distribution of company profits was also raised in federal parliament. Companies, such as BHP and Holden's, were the subject of debate, especially within the Labor Party, which believed, according to Fitzgerald, in 'a more equitable distribution of the nation's wealth which is produced by the people'.[100] In a specific attack on Holden's in September 1956, Labor Party Member for Watson, New South Wales, Jim Cope, used Sir Arthur Fadden's 1955 capital loan for Australia to highlight that GM had 'not invested a net dollar in Australia since the war'. The loans for tooling had been recouped and dividends for the previous two years had 'totaled more than 500 per cent' and the higher 1956 dividend was 'taken from an Australia that is less able to afford it'.[101]

The reciprocal tax agreement that benefitted Holden's when it repatriated funds was also subject to scrutiny. In August 1959, Labor's Daniel Curtin,

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[98] See 'Claim Holden Profit Justifies Higher Wages', *Canberra Times*, 19 June 1959, 1.
[99] ACTU Australian Wage Brief, RH 6/10/F82.
[100] *Commonwealth Parliamentary Debates* (House of Representatives), 1 September 1955, 287.
[101] *Commonwealth Parliamentary Debates* (House of Representatives), 12 September 1956, 447.

Member for Kingsford-Smith in New South Wales, argued that Holden's paid no tax 'under the reciprocal tax agreement, on dividends that are forwarded to the parent body'.[102] This was in reference to the 1953 Australian-US taxation treaty to avoid double taxation, where companies paid tax in the country of origin and then again in the country for which profits were remitted. In the lead up to the treaty there had been significant lobbying by US businesses, and to some extent US officials, concerned with discrimination against US firms in preference to UK companies. These negotiations were taking place concurrent with those for the ANZUS Treaty and, according to tax historian C. John Taylor, were 'a means of maintaining good relations with Australia's important Second World War ally'.[103] The result was that the taxation rate was changed, which led to Curtin's charge of Holden's paying no tax on dividends remitted to the US. In order for Holden's to limit its exposure to negative publicity over excessive profitability, it did not announce profits between the years 1960 and 1961, as the company was not required to do so by law.[104] This changed with the introduction nationally of the Uniform Companies Act in 1962 with each state enacting uniform legislation.

[102] *Commonwealth Parliamentary Debates* (House of Representatives), 20 August 1959, 451.
[103] C. John Taylor, 'The Negotiation and Drafting of the First Australia-United States Double Taxation Treaty of 1953.' In Peter Harris and Dominic de Cogan (ed), *Studies in the History of Tax Law* (Oxford: Hart Publishing, 2015), 220.
[104] See 'Holden sales reach top £145½m; profit £15½m', *The Age* (Melbourne), 23 March 1963, 1.

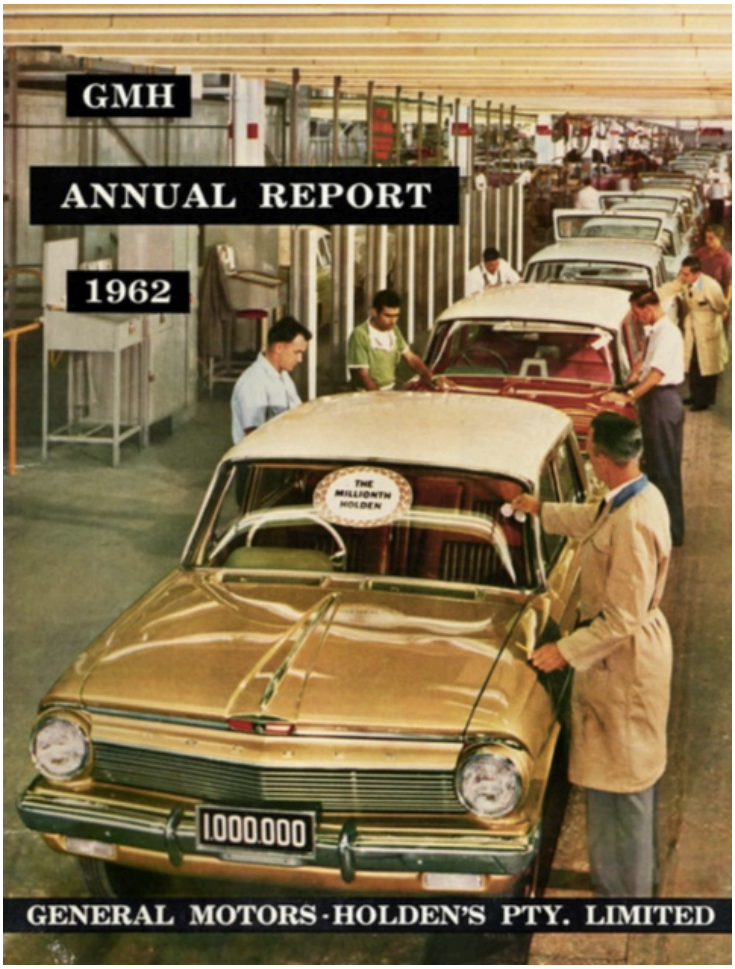

Image 4.5. Front cover of Holden's 1962 annual report showing the millionth Holden rolling off the production line. Source: *GMH Annual Report 1962*. Source: SLSA BRG 213/91/1962-1969.

Holden's used its annual reports to promote the company's positive contribution to the Australian economy. The 1962 annual report heralded the rolling-off the production line of the millionth Holden and gross sales of £145 million.[105] As a further means to assuage any ill-feeling towards the company's profitability, its 1963 annual report included the amount of Commonwealth tax paid (£49 million), 'a significant contribution to the Government's revenue', and

[105] GM-H Annual Report 1962, SLSA BRG 213/91/1962-1969.

the employee payroll (£33 million).[106] From then on, Holden's annual reports included the company's contributions to the Australian economy.

Near full employment, a strong economy and rising prices created ideal conditions for increased wage demands by unions. Following an increase in the basic wage in June 1963 by the Commonwealth Arbitration Commission, union leaders came under pressure from their members to increase benefits due to the favourable conditions.[107] The South Australian Branch of the VBEF moved quickly, writing to the United Trades and Labor Council of South Australia agreeing with the Council's declarations that the basic wage increase was inadequate to meet the needs of the workers, that the state government control price increases and that any attempt to offset the increase against over-award payments would result in industrial unrest.[108]

As the rising cost of living offset wage increases, unions took industrial action. Abiding by Hyman's framework of strikes, Australian unions commenced demonstrations of force. The Transport Workers Union (TWU) planned a 24-hour stoppage in May 1964 in protest against the penalty clauses of the Commonwealth *Conciliation and Arbitration Act*, where unions were fined for illegal strikes.[109] That same month, the Federated Ironworkers' Association lodged an application for higher margins for BHP steel workers at Newcastle and Port Kembla on the grounds of profit share.[110] With an increase in the Consumer

[106] GM-H Annual Report 1963, SLSA BRG 213/91/1962-1969.
[107] R. M. Martin, 'Australian Trade Unionism, 1964', *Journal of Industrial Relations* 7 (1965), 77.
[108] United Trades and Labor Council of South Australia Meeting minutes, 26 June 1964, SLSA SRG 1/1/15.
[109] Martin, 'Australian Trade Unionism, 1964', 77.
[110] See 'Union Claims Greater Profit Share', *Canberra Times*, 14 May 1964, 6.

Price Index, the measure of changes in prices of a basket of consumer goods and services purchased by households, the ACTU, threatening consumer boycotts, called for the Commonwealth government to introduce price-fixing legislation.[111] At the same time the VBEF, in response to a request by foundry workers at Holden's Fisherman's Bend plant in Victoria, lodged demands for an 'inducement wage' of £3 over trying working conditions. Following a resolution by the Fisherman's Bend shop stewards, the VBEF expanded the £3 claim to all its members in the plant to offset price increases brought about by the basic wage increase and Holden's profits. The claim was rejected by management in August. At a meeting of the union's members, on the recommendation of the foundry workers, the £3 claim was presented again. Four main unions, the VBEF, AEU, Australasian Society of Engineers and Electrical Trades Union, commenced negotiations with Holden's. When these failed to achieve the unions' goals, the matter was referred to the Melbourne Trades Hall Council Disputes Committee. On 1 October 1964, the Committee instructed the workers to strike. According to industrial relations historian Ross Martin, the strike 'had been officially directed, and by way of a decision which laid down no time limit, there was no turning back until either G.M.-H. made real concessions or most of the strikers were exhausted'.[112]

Strike activity was immediate and widespread. Workers at Holden's Fisherman's Bend and Dandenong plants struck on 3 October, and the following day, 1,000 employees in Woodville and Elizabeth were stood down. The Federal Executive of the VBEF, after a lengthy meeting, decided to refer the matter to the

[111] See 'A.C.T.U. Calls For Action On Prices', *Sydney Morning Herald*, 15 July 1964, 13.
[112] Martin, 'Australian Trade Unionism, 1964', 82.

ACTU expressing concern at 'the negative approach of GM-H to the working conditions and wages of employees'. In the meantime, the Trades Hall Council Disputes Committee decided to continue the strike and would only attend a conference with Holden's if the company agreed to negotiations for a wage increase.[113] The ACTU Disputes Committee, on 8 October, extended the claim to Holden's workers throughout Australia, forcing further retrenchments. Despite a Commonwealth Industrial Court decision ordering the striking workers to return to work, and possible fines of £500 per union for each day, the strike continued. In a statement to the press, the President of the ACTU, Albert Monk, said that 'the unions were not closing the door to discussions and were prepared to talk on any alternative' and had given the negotiating committee power to take any action it considered necessary.[114] Monk criticised the government for aligning 'with the attitude adopted by GMH'.[115] The following day Monk stated that the strike was the first major industrial action the ACTU had handled that year and added that it was 'the first "all-in brawl" ever experienced in the motor industry'.[116]

[113] Quoted in 'Spread of strike at G.M.-H.: New union action', *Canberra Times*, 6 October 1964, 1.
[114] Quoted in '5,800 workers in two States retrenched', *Canberra Times*, 9 October 1964, 1.
[115] Press Statement issued by Mr A.E. Monk, President of the ACTU, on October 14, 1964, RH 6/10/F82.
[116] See '70,000 could be jobless if Holden's strike continues', *The Advertiser* (Adelaide), 10 October 1964, 1.

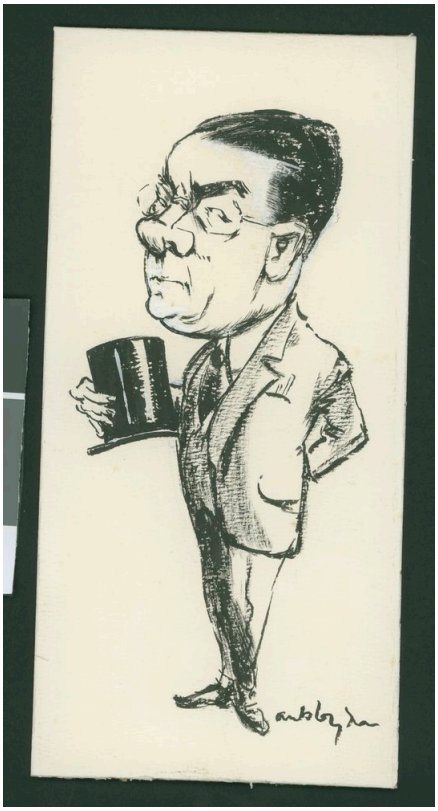

Image 4.6. Albert Monk, President of the ACTU as drawn by Amby Dyson, 1951. Source: State Library of Victoria.

Holden's announced further stand downs when workers failed to return to work. With all of Holden's plants reliant on engine components from the Fisherman's Bend plant, on 9 October the company laid off 5,800 workers across four plants in South Australia and New South Wales and informed ACTU officials that all company plants would be forced to close. In a press announcement, the managing director of Holden's, David Hegland, said that the inter-dependent nature of operations throughout Australia meant that a 'stoppage on work done in one plant can seriously disrupt its whole operations'. He had been appointed as the new managing director in May, replacing Harlow Gage. Hegland had been in Australia for six years following senior management positions at GM in South Africa and New Zealand. He had joined GM in 1945 and held positions in Sweden, Finland, Belgium and West Germany before being appointed managing director

of GM operations in Denmark.[117] The day after the closure announcement, Holden's stated the wider implications of the stoppage on suppliers, claiming that more than 50,000 people would be affected if the strike continued.[118] By the end of October the impact on the company of the strike became apparent, with lost sales of £16 million and wages of £1.7 million.[119] The interconnectedness of car manufacturing was highlighted during the strike. Disruptions, even by a relatively small number of workers, could halt the entire output of the factory. This became particularly apparent during the rolling stoppages of the 1970s, as will be discussed in the next case study.

Image 4.7. Harlow Gage (right) receiving a presentation from David Hegland, Holden's new managing director, at a farewell function. Source: *GMH People*, May 1962, 1.

[117] 'David L. Hegland', *GMH People*, 14 (1962), 1.
[118] See '70,000 could be jobless if Holden's strike continues', *Canberra Times*, 10 October 1964, 1.
[119] Company notes on £3 wage claim and subsequent strikes/lay offs, SLSA BRG 213/84/2.

The company did not wait for a resolution of the strike by the unions. During the first week of October Holden's had applied to the Commonwealth Industrial Court for an order to the unions to comply with the award and call off the strike. When the unions failed to comply with the Court ruling, Holden's initiated prosecutions for contempt of court and, on 20 October, the five unions were individually fined £500 for each contempt charge.[120] Despite the fines, the unions remained adamant with their demands and refused to call off the strike.

Public reaction to the strike was mixed and was played out in the newspapers. The ACTU ran a newspaper advertising campaign promoting its position and the demands of the strikers. A letter to *The Canberra Times* from 'Civic' wrote of the general animosity of the public toward Holden's and the company's massive profits, agreeing with union demands for higher wages.[121] Peter Samuel, *The Canberra Times* economics editor, called the Minister for Labour and National Service, McMahon, 'inept' and wrote that if he wanted 'to attack communists in trade unions for making trouble, then the present strike is the worst possible time to attack them'. He argued that the growth in demand for cars, against a slower growth in the numbers of workers able to build them, had led to 'severe tensions in the labour market' and provided unions with increased power.[122]

Negotiations between the union and Holden's failed to reach a satisfactory resolution. During October 1964, Hegland put forward a proposal

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[120] Summary of GMH Actions before the Commonwealth Industrial Court, undated, SLSA BRG 213/84/2.
[121] 'Whoever wins the strike, the public is sure to lose', *Canberra Times*, 20 October 1964, 14.
[122] 'McMahon gives an inept display in the G.M.H strike', *Canberra Times*, 16 October 1964, 20.

that if work resumed the company would review the wage demands of the foundry workers. However, this offer was delivered with the caveat that it should not be interpreted as meaning general increases would result in the foundry.[123] Added to this was the offer of wage adjustments for other employees if the unions were able to show that over-award payments were less remunerative than those of other carmakers, and the dropping of contempt charges.[124] The unions rejected the offer, with the secretary of the Melbourne Amalgamated Engineering Union, Laurie Carmichael, whom McMahon had called 'one of the most evil men in the trade union movement',[125] telling a meeting of strikers that if Holden's were 'trying to belt the workers of Australia back to work on their knees they will not earn the love of the people in this country'.[126] In Adelaide, 6,000 Holden's workers attended a two-hour meeting on the afternoon of 21 October. The Sydney *Tribune* reported that it was the largest industrial meeting in the history of the state labour movement. Secretary of the Trades and Labor Council, Les Johns, in calling a vote for the continuation of the strike, said the workers had the opportunity to vote for the company or for the trade union movement.[127] Following a number of members voicing their support, the majority voted to remain on strike.

The imposition of fines on the unions by the South Australian Industrial Court did not alter the unions' position. A meeting on 25 October between a

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[123] See 'ACTU rejects offer by Holden', *The Advertiser* (Adelaide), 20 October 1964, 1.
[124] *Commonwealth Parliamentary Debates* (House of Representatives), 20 October 1964, 2066.
[125] *Commonwealth Parliamentary Debates* (House of Representatives), 13 October 1964, 1805.
[126] Quoted in 'G.M-H. Will "Fight to Finish as Strike Continues', *Sydney Morning Herald*, 21 October 1964, 1.
[127] 'We Must Back the Others', *Tribune* (Sydney), 21 October 1964, 5.

union deputation, led by Monk, and Holden's failed to reach an agreement. Hegland announced that although the strike had entered its third week, talks had not yet reached a deadlock. This came after terms for a settlement had been reached between Monk and Hegland, but were rejected by the ACTU Disputes Committee. The new offer was seen as an improvement, permitting discussion on over-award payments without the unions being limited to showing anomalies, as was the case in the earlier offer.[128] The terms agreed between Monk and Hegland were that following resumption of work the company would discuss the foundry workers' wage rates and consider over-award payments. But it would not consider wage increases to all employees. The VBEF, having already called for a return to work, persuaded its members to end the strike. At meetings held in Adelaide, Melbourne, Brisbane and Sydney on 30 October, 4,763 workers voted to end the strike with 1,929 against. The Melbourne meeting was abandoned following a brawl after Monk asked the strikers to return to work and accusations by the strikers that the secret ballot was a farce.[129] Holden's influence over the VBEF was apparent in the unions' continued calls for the strikers' return to work.

The resumption of work was not without further problems. Regardless of unionist reaction, Hegland announced that workers at South Australian, Victorian and New South Wales factories, except Fisherman's Bend and Woodville, would resume work with a delay due to shortages of parts in the Queensland and Western Australian plants. Negotiations continued for the foundry workers and concluded in November with a package deal that included

[128] See 'Union outvoted', *Canberra Times*, 26 October 1964, 1
[129] See 'Fists, chairs fly as men vote to end strike', *Canberra Times*, 31 October 1964, 1.

pay rises from 10/- to 30/-, increases in overtime, shift premiums and sick leave. Although the ACTU accepted the package, Monk did not and deemed it unsatisfactory and intended to lodge a claim with the Arbitration Commission for the £3 a week increase for all workers at Holden's.[130] Despite the negotiations and the eventual acceptance of the company offer, not all unionists, particularly Monk, were pleased with the result. The outcome of the industrial action satisfied neither party, the unions failed to achieve the full wage rise and Holden's was forced to concede an increase. The time study strike in the first case study showed that Holden's clearly had the advantage, while in this case study it would appear that the VBEF was in the best position, though the outcome proved overwise. While the negotiations were at times heated during the wage dispute the industrial unrest of the 1970s was of an entirely different scale.

[130] See 'GMH strike brings rises', *The Advertiser* (Adelaide), 25 November 1964, 2.

Case study three: The 'biggest upheaval the industry has known since 1964': the tumultuous 1970s.

Where the strike in 1944 was instigated by the time study system, and the 1964 strike over wages, the rolling industrial unrest during the 1970s was different again. Australia had altered substantially, even since the 1964 strikes. The country was involved in the Vietnam War, federal politics was no longer dominated by conservatism and dramatic societal changes were taking place. In the car industry, the grip of the moderate VBEF was being questioned by more radical union members and shop stewards. Increased industrial unrest in the final years of the federal Liberal government, coupled with its inability to handle the disputes, contributed to the election of the Whitlam-led Labor Party.[131] Gouldner's observation in *Wildcat Strikes* (1955) that strikes were 'an open expression of aggression' and 'a social phenomenon of enormous complexity which, in its totality, is never susceptible to compete description, let alone complete explanation', was apt during this time.[132]

This turn of events stimulated hope among trade unionists who appreciated the reformist social agenda of the new government. However, unions also diverged from the government's industrial and economic policies, especially as the economy contracted and the government changed ideological direction. To combat rampant inflation and excessive wage increases, the government was advised by the Secretary of the Treasury, Sir Frederick Wheeler, to adopt an alternate economic strategy.[133] To control inflation, Wheeler

[131] Ian Turner and Leonie Sandercock, *In Union is Strength: A History of Trade Unions in Australia 1788-1983* (3 ed.) (Melbourne: Nelson, 1983), 126.
[132] Gouldner, *Wildcat Strikes*, 65.
[133] Greg Whitwell, *The Treasury Line* (Sydney: Allen & Unwin, 1986), 215.

proposed restraint on public spending, an increase in excise duties and postal charges, to restrain wages and to restrict monetary supply. The Prime Minister, Gough Whitlam, agreed and adopted all the measures.[134] Trade union reaction to the government's actions was strong, arguing that inflation was not caused by wages growth and that it was unfair for workers to be burdened with economic hardship by multinational corporations only interested in profits.[135] The result was more industrial disputes that impacted on the entire Australian economy. This section will establish the causes and outcomes of the rolling industrial turmoil at Holden's during the 1970s. It will argue that the industrial unrest was not the result of a single cause, but, rather, reflected the changing nature of the industrial relations landscape through the influx of migrant labour and the rise of rank and file militancy that lost confidence in its union leadership. This is best represented by the militant shop steward Ted Gnatenko, who serves as an example of the loosening of control of union leadership over members.

Not one major strike: the changing nature of industrial disputes and unions

Rather than being triggered by a single event, the industrial unrest of the 1970s represented a greater complexity in the industrial relations landscape than that of the past. By 1969, the annual review of union activity in Australia, delivered in the *Journal of Industrial Relations*, argued that the trade union movement was 'no longer a radical progressive and socially conscious working-class movement'. The movement had become 'too respectable' and spent its time and 'limited

[134] Jenny Hocking, *Gough Whitlam: His Time Volume II* (Melbourne: Miegunyah Press, 2013), 164.
[135] Turner and Sandercock, *In Union is Strength*, 132.

talents in maintaining a façade of quasi-establishment values'. It represented 'the tip of a socially apathetic iceberg'.[136] This damnation by University of Melbourne academic, Kenneth Hince, reflected the changing nature of the trade union movement since the end of the Second World War. Postwar trade unionism membership had peaked in the mid-1950s at 61 per cent of the workforce, the majority being male blue-collar workers. But by 1972 membership had dropped to 53 per cent.[137] The number of unions had also decreased from 362 in 1946,[138] to 303 in 1971, though this was through amalgamations rather than redundancy.[139] However, the number of industrial disputes, which had remained low during the postwar period, increased during 1969-1970. The reasons, put forward by the Minister for Labour and National Service, Bill Snedden, the Employers' Federation of NSW, and conservative newspapers, was, according to Philip Bentley, of 'varying versions of a communist conspiracy'.[140]

The communist charge against trade unions was common during the postwar period. Allegations of ballot rigging by communists in 1949 resulted in the Chifley government amending the *Conciliation and Arbitration Act* to allow union management committees to invite the Arbitration Court to conduct ballots on the unions' behalf.[141] This was followed, three years later, by the extension of the amendment by the Menzies government, amidst anti-communist fervor, to

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[136] K.W. Hince, 'Australian Trade Unionism 1968-69', *Journal of Industrial Relations* 11 (1969), 269.
[137] Turner and Sandercock, *In Union is Strength*, 116.
[138] *Official Year Book of the Commonwealth of Australia* (Melbourne: Commonwealth of Australia, 1947), 507.
[139] *Official Year Book of the Commonwealth of Australia*, (Melbourne: Commonwealth of Australia, 1973), 278.
[140] Philip Bentley, 'Australian Trade Unionism 1969-70', *Journal of Industrial Relations* 12 (1970), 378.
[141] *Commonwealth Conciliation and Arbitration Act 1949* (Cth).

allow members to make a similar request.[142] At the final meeting in Melbourne during the 1964 strike, copies of *Strike News* condemned the ACTU. Another news sheet, from a group called the Rank and File Vigilance Committee, called for the need for the average rank and file member to be vigilant against the efforts of the Communist Party to exploit trade unionists for political ends.[143] By 1970, the charges that union leadership was controlled by communists remained, but by that time represented, according to Bentley, 'either an expression of class-consciousness or dissatisfaction with the industrial relations system'.[144] Reflecting the changes in Australian society generally, the union movement had changed.

The nature of, and reasons for, industrial activity had altered by the 1970s. For Bentley, summarizing events at the time, there were three possible reasons for increased strike activity: dissatisfaction with the arbitration system, increasing militancy among non-manual workers, and wage-fixing practices of the Commonwealth Public Service Board. Of significance here is the first explanation, that of concern over the relevance of the arbitration system which had not altered to reflect the changes in the industrial landscape since 1945. At the 66th annual meeting of the NSW Employers' Federation in November 1969, Justice Alexander Beattie, the President of the NSW Industrial Commission, stated that the changes since the end of the Second World War had caused a 'fundamental re-thinking about the adequacy of our system of conciliation and arbitration for present and future needs'.[145] These comments were similar to

[142] *Commonwealth Parliamentary Debates* (House of Representatives), 9 March 1951, 280.
[143] See 'Fists, chairs fly as men vote to end strike', *Canberra Times*, 31 October 1964, 1.
[144] Bentley, 'Australian Trade Unionism 1969-70', 378.
[145] Bentley, 'Australian Trade Unionism 1969-70', 379.

those made by Bob Hawke, the newly appointed president of the ACTU, who called for an expansion of the role of unions beyond wages and conditions.[146] Both Beattie and Hawke demonstrated awareness of the changed nature of industrial relations and the need for reform. However, what Bentley does not mention is the altered attitude of union members to their leadership which placed increasing pressure on the ability of the latter to control the former.

While the amalgamation of trade unions resulted in a reduction in the total number of unions, those that remained became larger and more powerful. In March 1969, amalgamation talks were held between the Federated Storemen and Packers Union, the Waterside Workers Federation and the Shop Assistants Union, but consensus could not be reached.[147] One merger that did succeed was that between the Amalgamated Engineering Union (AEU) and the Boilermakers and Blacksmiths' Society.[148] Joined by the Sheet Metal Workers', Boilermakers' and Moulders' Union (SMWU), the amalgamation process, despite opposition by other unions, concluded in the creation of the giant Amalgamated Metal Workers Union in April 1973.[149] The new, 'big, unified union' would, according to the Sydney *Tribune*, be based on widespread rank and file participation that would be able to confront employer belligerency.[150] The greater involvement of rank and file members, prepared to question union leadership, was to be a hallmark of the changing nature of industrial relations during this period.

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[146] R.M. Martin, 'The ACTU Congress of 1969', *Journal of Industrial Relations* 11 (1969), 268.
[147] See 'Union merger plan rejected', *Canberra Times*, 9 May 1969, 1.
[148] Michael Kirby, 'Present at the Creation: The Strange Eventful birth of the Amalgamated Metal Workers Union', *Journal of Industrial Relations* 56 (2014), 127.
[149] Tom Sheridan, *Mindful Militants: The Amalgamated Engineering Union in Australia 1920-1972* (Melbourne: Cambridge University Press, 1975), 304.
[150] 'Amalgamation on Way', *Tribune* (Sydney), 28 October 1970, 10.

As union structures changed through amalgamation, their membership altered through the influx of migrant workers, particularly from non-English speaking backgrounds. Jean Martin, in her book *The Migrant Presence* (1978), provides an overview of the immigrants and their relationship with trade unions. She argues that there were four distinct periods of union response to the influx of immigrant workers.[151] In the initial period, from 1948 until 1954, many unions tried to attract new members through political causes. Anti-communist rhetoric, for example, would have attracted many immigrants who had fled repressive eastern European communist regimes. During the second period, from 1955 to 1964, following a general assimilation policy, migrants were treated as being no different from other workers. The unions' priority was to attract new members. Immigrant worker assertiveness increased during the third period between 1965 and 1972. With the increase in immigrant workers, unions began to recruit them for leadership roles, such as shop stewards and dues collectors. The fourth and final period, between 1973 and 1978, was a time of further change. Migrant workers become prominent in industrial actions, such as the 1973 Ford Broadmeadows strike that involved 75 per cent rank and file workers from non-English speaking backgrounds and was, according to the Melbourne *Age*, led by Greeks and Italians.[152]

Through research and analysis of the needs of migrant workers, unions found new ways to attract them to become members. Research, by the Centre for Urban Research and Action in Melbourne, found that union meetings were

[151] Jean I. Martin, *The Migrant Presence: Australian Responses 1947-1977, Research Report for the National Population Inquiry* (Sydney: George Allen & Unwin, 1978), 187.
[152] See 'A war of attrition at Broadmeadows', *The Age* (Melbourne), 12 July 1973, 9.

mainly held in English with few interpreters available. The English language skills of many immigrant workers were limited, resulting in a major language barrier. Thus, according to Santina Bertone, Gerard Griffin and Roderick Iverson, because of a lack of English language skills, union membership and participation among immigrants was low.[153] This view is supported by Bramble in *Trade Unionism in Australia* (2008), in which he states that migrant workers 'received little help from their unions'.[154] It should be noted here that some South Australian VBEF pamphlets were deliberately printed only in English in order to ensure immigrant workers were unaware of union activities and procedures.[155] As seen in Chapter Three, this reflects previous attempts by the VBEF to exclude women from employment following the Second World War.

While union membership was low for immigrant workers due to language barriers, membership of union leadership was more restricted. Industrial relations analyst June Hearn, writing in 1976, argued that involvement in union leadership by immigrant workers depended on various factors

> including individual personality, the availability of opportunities, the level of rank and file interest in union affairs, the impact of the organizational structures, the prevailing attitudinal environment, for example, degrees of formal and informal discrimination, as well as the general economic-political climate.[156]

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[153] Santina Bertone, Gerard Griffin and Roderick D Iverson, 'Immigrant Workers and Australian Trade Unions: Participation and Attitudes', *International Migration Review* 29 (1995), 727.
[154] Bramble, *Trade Unionism in Australia: A History from Flood to Ebb Tide* (Melbourne: Cambridge University Press, 2008), 26.
[155] VBEF (SA Branch) Minutes, 25 February 1964, UM 101/37/V5.
[156] June M. Hearn, 'Migrant Participation in Trade Union Leadership', *Journal of Industrial Relations* 18 (1976), 115.

Of these, three were predominant: effectiveness of communication, degree of pressure for organizational survival and the force of politics. Like Martin, Hearn argued at the time that communication between union officials and their rank and file members often fell 'far short of what is desirable to encourage or even allow greater mass participation in leadership'.[157] Further restriction of entry into leadership of union positions for immigrants, according to Hearn, was also due to a lack of a full understanding of Australian trade union practices and their systems. These practices included closed shops, an absence of consideration for leadership roles and differences in political and ideological commitments.

The loss of confidence in union leadership by members was varied but reflected the changing nature of society in Australia. Reaction against the charges of communism within the union leadership, dissatisfaction with the arbitration system, an increase in rank and file participation in the new, larger amalgamated unions and the expanding involvement of migrant workers at all levels of unionism, all contributed to the querying of the status quo and the role and validity of union leadership. These actions reflected Eric Batstone, Ian Boraston and Stephen Frenkel work in *The Social Organization of Strikes* (1978), where workers became strike prone when they felt they were being treated unfairly.[158] This was particularly apparent in the VBEF, which had established such a close relationship with Holden's that for some members appeared to benefit the company and the union leadership rather than the workers.

The alteration in the industrial relations landscape of union-company relationships meant a change in the numbers and types of strikes in the motor

[157] Hearn, 'Migrant Participation', 115-121.
[158] Batstone, Boraston and Frenkel, *The Social Organization of Strikes*, 46.

vehicle industry. As can be seen in Figure 4.8, the number of days lost to strike activity nationally increased rapidly in the late 1960s and early 1970s. Industrial

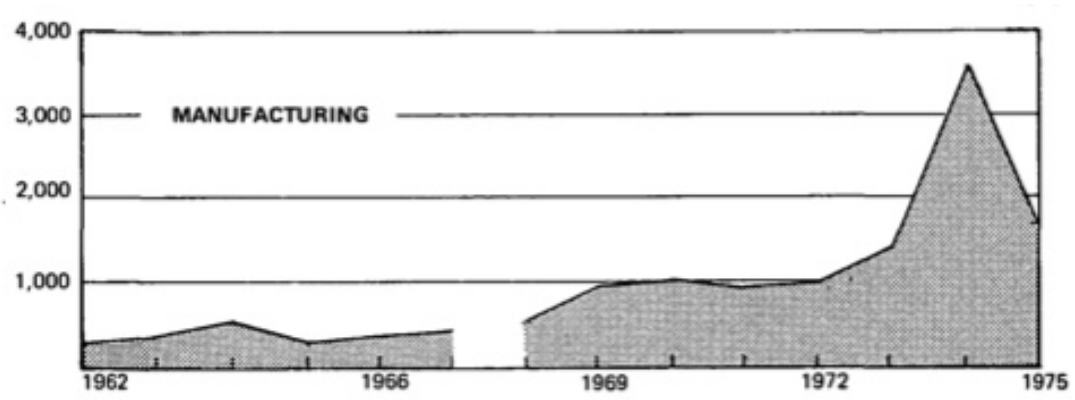

Figure 4.8. Number of days lost from industrial disputes in manufacturing industry nationally, 1962-1975. Source: *Official Year Book of Australia*, (Canberra, Australian Bureau of Statistics: 1976), 304.
Note: The gap between 1967 and 1968 is due to the implementation of the Australian Standard Industrial Classification system.

disputes in South Australia reflected the national figures. Annual averages in the state for all disputes rose from 30 between 1951 and 1955 to 156 between 1971 and 1975.[159] The *South Australian Year Book 1976* statistics for 1974 (1975 was not recorded) reported 41 disputes in metal manufacturing, accounting for just under a quarter of the total for the year. The 1977 year book reported a total of 118 disputes of which 36 were in metal manufacturing, an increase to 30 per cent of all disputes.[160]

In the motor vehicle plants in South Australia, industrial relations in the late 1960s reflected the rest of the metal trade industry. As Bramble has written, rank and file workers 'were driving the agenda' and presented a major problem

[159] *South Australian Year Book 1976* (Adelaide: Australian Bureau of Statistics, 1977), 379.
[160] *South Australian Year Book 1977* (Adelaide: Australian Bureau of Statistics, 1978), 380.

for union officials.[161] Union leaders were no longer in a position to control their members. During a production line workers' strike at Holden's Elizabeth plant in 1970, the VBEF leaders, when attempting to pacify irate workers, encountered, as Bramble recounts, 'a barrage of grapes, bread, salami, tomatoes and anything else the men could throw'.[162] The Conciliation and Arbitration Commission ordered the union to get the men to return to work, stating that the situation represented industrial anarchy. Holden's response was to cancel annual leave for 1970 and suspend the supplementary payments (bonus) plan.[163] While these actions were punitive, they did not dampen the unrest.

Despite the support of the Conciliation and Arbitration Commission against strike action, workers continued rolling stoppages. Minutes from meetings at the United Trades and Labor Council of South Australia reflect the ongoing industrial problems Holden's and its workforce encountered. For instance, in February 1971 an overtime ban was contemplated[164] and the next month concerns over excessive noise were raised.[165] In support of a log of claims submitted by the unions at Holden's, 12 AEU members ceased work in May and were joined the next day by six VBEF members. Displaying the newfound role of the rank and file, these stoppages, against the wishes of the VBEF and the Commission, jeopardized concessions of all employees who would be eligible for any wage increase. The strikers' actions were far-reaching. The stoppages

[161] Bramble, *Trade Unionism*, 47.
[162] Bramble, *Trade Unionism*, 47.
[163] Telegram from Saunders to H.W. Gage, New York, 22 May 1970, SLSA BRG 213/84/2/6a.
[164] United Trades and Labor Council of South Australia Meeting minutes, 12 February 1971, SLSA SRG 1/1/25.
[165] United Trades and Labor Council of South Australia Meeting minutes, 12 March 1971, SLSA SRG 1/1/25.

brought the Elizabeth assembly line to a stand-still with the premier, Don Dunstan, requesting the ACTU to intervene because of the impact on the state's economy.[166] The strike action demonstrated the capacity of a small number of workers to make a large impact on operations at plants such as Holden's.

Rank and file militancy within the workforce increased during this time due to strong ties to the Communist Party of Australia (Marxist-Leninist) (CPA (M-L)). The CPA (M-L), though small, was active in promoting industrial action and sponsored the creation of Worker-Student Alliances on university campuses. To extend its influence outside of its home state of Victoria, the CPA (M-L) recruited members in the South Australian car manufacturing plants. At Holden's Elizabeth plant, union leader Len Bowling and a small coterie formed a network of worker militants who organised guerilla stoppages, including a sit-in at the administration block. The Worker-Student Alliance (W-SA) expanded to include Flinders University students who gained employment at the nearby Chrysler plant at Tonsley Park to implement more radical politics. They soon attracted other union members who were disenchanted with the relationship between the VBEF and the company. Their goal, according to W-SA member Julia Twohig the rank and file agitator mentioned in Chapter Three, was to attempt 'to get the union to do what we thought their job was and to oppose them as we did in opposing the company'.[167] The VBEF reacted by fining members who breached union rules by criticising officials. By the W-SA's own admission, the ability to become a shop steward in the VBEF was simple and could be easily achieved by

[166] See 'Car Industry', *Canberra Times*, 8 May 1971, 7.
[167] Interview with Julia Twohig, Labour Oral History Project, SLSA OH 740/47.

attending meetings and attacking union leaders.[168] Beynon, in *Working for Ford* (1973), argued that effective shop stewards were those that had strong relationships with the rank and file.[169] In his analysis of trade unions, Wanna, noted that two types of steward:

> those that retained a lateral conception of their role, maintaining rank-and-file and shop floor peer bodies as reference groups; and those that perceived their role as intermediary agents transmitting issues as a mouthpiece for the collective.[170]

By taking shop steward positions, the W-SA members were better placed to incite industrial disruption that threatened the amicable relationship between the VBEF and the car companies.

Industrial action appeared almost inevitable by early 1971. The two major South Australian car plants, Holden's and Chrysler, seemed, as reported by *The Canberra Times*, 'certain to erupt soon in the biggest upheaval the industry has known since 1964'.[171] The annual leave forfeiture remained in force at Holden's despite the failure of union efforts at local and national levels to overturn it.[172] Ongoing discussions over the retrospective application of the wage claim of the previous year for members who had participated in the 'wild cat' strikes had failed. Len Townsend, federal secretary of the VBEF, in a letter to Ed Ellison, industrial relations manager at Holden's, argued that the company's stance was 'not conducive to good industrial relations' and was 'a challenge to

[168] See 'Sabotage spotlights alliance', *Canberra Times*, 12 February 1975, 1.
[169] Huw Beynon, *Working for Ford*. (Harmondsworth, Penguin: 1973), 189-245.
[170] Wanna, *The Politics of Organised Labour*, 334.
[171] 'Industrial Rumblings in S.A.', *Canberra Times*, 20 March 1971, 10.
[172] Letter from L.C. Townsend, Acting Federal secretary VBEF, to L. Woodcock, President United Auto Workers, 1 November 1971, RH 10/5/F62.

the whole trade union movement at a time when general industrial sanctions are under review'. Townsend went on to say that the steps taken by Holden's could 'only lead to a further down-turn in industrial relations at a time when the reverse would be very desirable'.[173] Townsend, an anti-Vietnam war protestor, had become federal secretary in the mid-1960s and became increasingly militant during the 1970s when VBEF members were faced with retrenchments. This 'further down-turn' began soon after with the commencement of demarcation disputes. On 22 November a shop steward was requested to perform fitting work on a grinder in Plant 1 at Elizabeth, but said that he was incapable of doing the work. When queried by management he replied, 'that any person with any brains at all could understand why he could not do the job in question'.[174] This action led to a demarcation dispute that resulted in a two-day stand down. The accord that had served Holden's and the VBEF for the previous fifty years was facing disintegration.

Holden's was confronted with a union leadership unable to control its members. In 1970, A.E. Woodward, chair of the Stevedoring Commission, commented on the breakdown of firm leadership within the union movement and the spread of 'participatory democracy,' which meant, 'in effect, rule by mass meetings'.[175] This concern was reinforced by the recently formed Metal Trades Industry Association when it announced that it was created to tackle the unions.[176] Despite this tough talking, the manufacturers generally gave in to

[173] Letter from L.C. Townsend, Acting Federal secretary VBEF, to E. Ellison, Industrial Relations Manager GM-H, 1 November 1971, RH 10/5/F62.
[174] Cable from Russell to Plant Managers, 22 November 1971, SLSA BRG 213/84/3/2.
[175] A.E. Woodward, 'Industrial Relations in the 70s', *Journal of Industrial Relations* 12 (1970), 124.
[176] See 'Metal trades employers merge', *The Advertiser* (Adelaide), 24 February 1970, 15.

union demands to ensure continued production. Workers knew that, unlike the 1950s, they had the upper hand over their employers. This was particularly evident in Holden's Elizabeth plant, which employed half of the company's staff and supplied many components integral for continued operations throughout Australia. The awareness by members that they could challenge union leadership, and make demands of their own, undermined the relationship between the VBEF and Holden's.

A demonstration of the impact of the challenge to conservative union leadership can be seen through the case of Ted Gnatenko. Gnatenko, the secretary of the Amalgamated Engineering Union (AEU), was instrumental in the rolling stoppages of the early 1970s. A Bulgarian-born immigrant, Gnatenko worked at Holden's as a toolmaker from the time of his arrival in Australia in 1951. From the outset he was involved in union activities, both on and off the job, and for a time was a member of the CPA.[177] The AEU Shop Committee, formed in June 1966, met weekly to plan the day-to-day activities of its membership at the Elizabeth plant. To facilitate communication to members, the committee produced the *Elizabeth Engineer*, a publication that openly criticised the company and other unions. Industrial actions were promoted to the AEU membership to gain better conditions, such as heaters and fans in the Body Assembly Plant. AEU members refused taking orders from production foremen and complaints were made by AEU shop stewards over foremen working.[178]

[177] Gerry Phelan, 'Shop Floor Organisation', *Australian Left Review* 78 (1974), 14.
[178] John Wanna, *Defence not Defiance: The Development of Organised Labour in South Australia* (Adelaide: South Australian College of Advanced Education, 1981), 155.

Members, if in the foreman's office or the Personnel Department, were to be accompanied by an AEU shop steward.

Gnatenko, a committee member, was instrumental in the outcome of the March 1970 dispute over lost wages due to industrial action by members of the Federated Engine Drivers & Firemens' Association (FED&FA). The FED&FA members, following a call for a national stoppage, ceased work forcing Holden's management to lay off 4,000 production workers. The AEU called for a lunchtime meeting demanding payment of lost wages due to the lay-off and a raft of claims for improved pay and conditions, including a 35-hour week, an extra week's pay at Christmas and a paid annual picnic day. When workers discovered their pay had been deducted for the lay-off time, but production output had been achieved through increased line speed, they protested. Demands were sent to management, but members of the VBEF voiced their lack of faith in their union and appointed Gnatenko to continue negotiations on their behalf. Following a conference between the key unions and management, Gnatenko, put forward by union members, became involved and outlined the demands. Aware of the costs of any ongoing stop work action, management gave concessions, such as negotiation over the speed of the line and that no foremen were to work on production. The AEU dispute would, according to Wanna, 'go down in Trade Union history' and demonstrate that union leaders who ignored or neglected their members were 'sitting on a powder keg' that would eventually explode.[179] The AEU's militancy was penalized by the Arbitration Commissioner, J.E. Taylor, who would not admit the AEU to the wage claim conference as the union would

[179] Wanna, *Defence not Defiance*, 159.

not provide an assurance that members would not stop work while the conference was in progress.[180] Displaying its greater involvement with its members, the AEU leadership refused to agree to such a demand without consulting its membership. Taylor thus adjourned the AEU's dispute and continued the conference with Holden's and the other unions.

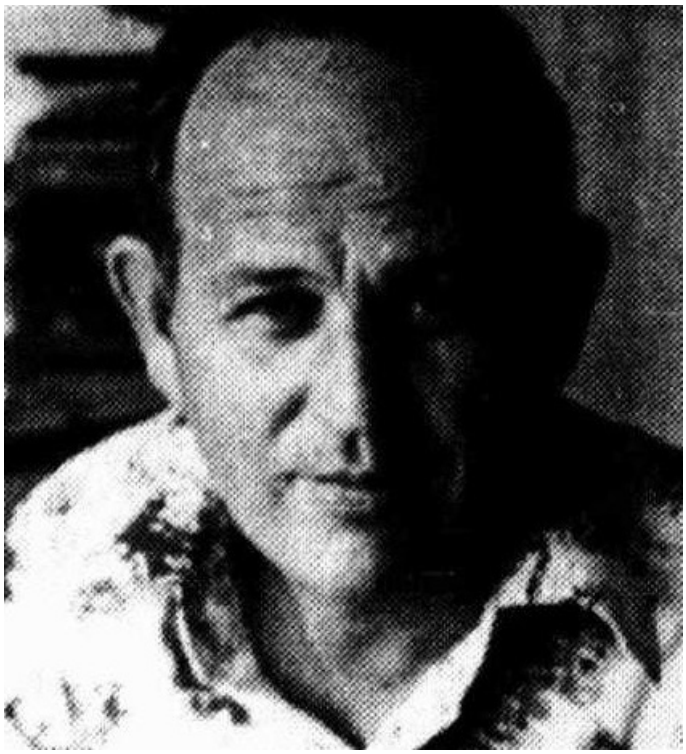

Image 4.9: Ted Gnatenko. Source: *Tribune* (Sydney), 1 December 1976, 4.

Gnatenko continued his work as secretary of the AEU shop stewards at Elizabeth. During the stoppages in May 1971 he announced that the union would 'adopt whatever tactics may be necessary' to achieve their demands.[181] Until November 1974, Gnatenko promoted AEU member demands and argued for

[180] See 'Car industry', *Canberra Times*, 19 May 1971, 8.
[181] Quoted in 'Car workers return to work', *The Advertiser* (Adelaide), 7 May 1971, 1.

improved wages and conditions. In that month, following an unauthorized union meeting at the Elizabeth plant, Gnatenko was sacked.[182] Gerry Phelan, writing for the *Australian Left Review* soon after these events, claimed that with sluggish sales and the political 'disfavour' that comes with lay-offs, a strike would be a better option for Holden's. The sacking of a key shop-floor activist would facilitate this, providing the pretext for lay-offs. For Phelan the sacking of Gnatenko would certainly result in a strike and thus allow the company to reduce the workforce.[183] What the company did not bargain for was the reaction that followed Gnatenko's dismissal. The union called a resolution from the United Trades and Labor Council for his re-instatement.[184] Following protracted legal proceedings in the South Australian Industrial Court, Holden's was forced to give Gnatenko his job back.[185] Gnatenko's active role as a union official, and his acceptance by members of other unions at Holden's, reflected the growing disillusionment with the VBEF and the changed nature of workers and unions, and their interaction with Holden's.

Industrial unrest at Holden's during the 1970s was not the result of a single cause. The different composition of the workforce by this time, including immigrants and women, reflected the altered nature of the industrial relations landscape. An increase in rank and file militancy and the questioning of union leadership, particularly of the conservative VBEF, led to unrest that was uncontrollable. As some union members demanded more from their union, they

[182] Summary of Events Leading to the Dismissal of F. Gnatenko, SLSA BRG 213/84/8/1.
[183] Phelan, 'Shop Floor Organisation', 14.
[184] United Trades and Labor Council of South Australia Meeting minutes, 29 November 1974, SLSA SRG 1/2/11.
[185] R v Industrial Court of South Australia; ex parte General Motors-Holden Pty Ltd (1975) 10 SASR 582.

became more actively involved in industrial action. As seen in Jennings's doggerel opening Chapter Three, members of the VBEF questioned the cosy relationship between the union and Holden's.

Conclusion

This chapter has explored three case studies to demonstrate the different reasons for, and outcomes of, strikes at Holden's in South Australia. This conclusion will draw the three case studies together in order to complete a comparative analysis. It will show that the outcome of strikes was not always how the unions, nor the company, predicted and that every strike was unique in its own way. This analysis will compare the circumstances that led to the strikes, the actions of the parties involved and the outcomes. External and internal factors impacted on the likelihood of strike activity. Union reactions and Holden's handling of each strike differed, from open negotiation to strident opposition. Each of the outcomes of the strikes was different for the unions: a clear loss, a partial victory and no clear outcome. Strikes at Holden's during the period under review were rare, reflecting the mutually beneficial relationship that Holden's and its main unions developed over time.

While strikes have similarities, such as demands for improved wages or conditions, the circumstances in which they develop are rarely, if ever, identical. The three case studies investigated each have very different precipitants to industrial action. In 1944 the introduction of time study methods, the anticipated conclusion of the war and perceived sacrifices for the war effort, led to industrial

action to prevent any 'speed up' of the line. In 1964 the Australian economy was enjoying full employment with labour shortages providing ideal conditions for increased wage demands to offset consumer price rises. During the rolling stoppages of the early 1970s, increasingly militant rank and file members clashed with union leaders who were unable to control their members. The factors that impact on strike activity can be divided into external, such as the implementation of the time study methods, and internal, such as the changing composition of Holden's work force.

External events can influence strike activity. While the 1944 time study industrial action was primarily due to the increased use of Taylorist management systems, workers also sensed that the war was nearing its end and that the workplace would soon resume normality. This would mean that the sacrifices made during the war, such as slow wages growth and long hours, would be compensated by improved conditions. A strong economy and price increases served as the background for the wage demand in 1964. Strike activity was not limited to Holden's, as the industrial action commenced in Queensland with miners and spread nationally. Between the end of the war and the late 1960s and early 1970s, the workforce at Holden's had altered dramatically. Immigrants from non-English speaking backgrounds filled the ranks of workers. Societal changes in Australia, such as the impact of the Vietnam war and reaction against the long-term Menzies era, contributed to a demand for change, personified, to a degree, in Gough Whitlam. External factors impacted on the timing and rationale for the strikes but were individual in each case.

Strikes can be instigated due to internal factors. Wartime sacrifices by workers, such as foregoing wage increases and longer hours, were only

acceptable for the short-term. Workers knew that the war would not last forever, especially by 1944 as Germany faced defeat in Europe and the Japanese forces were being pushed toward the home islands. The introduction of time study may have appeared to some workers as a wartime expediency, thus allowing Holden's to argue that it was for the war effort. While this was not the case, the workers' grievance remained and led to strike action. The 1964 £3 wage claim commenced as a demand for an 'inducement wage' for foundry workers in Holden's Fisherman's Bend plant. The VBEF expanded this demand to encompass all union members, arguing the basic wage increase had been eroded by price increases and citing Holden's profits as justification for the demand. The changing nature of union membership in the late 1960s, with the rise of rank and file militancy and the challenge of union leadership, increased the likelihood of clashes, both between workers and Holden's, and between workers and their unions. These internal struggles were personified in Ted Gnatenko and his role in disputes from 1970 onward. Allegiances were tested when VBEF members sided with Gnatenko, demonstrating the problems if union leadership neglected its members.

The action of both parties leading up to and during strikes is affected by the severity of the grievance, the strength of conviction and the desire to reach an outcome. The grievance against the use of the Taylorist system at Holden's had begun soon after the Depression and culminated in 1944 when workers went on strike. In this case the severity of the grievance had grown over a number of years until the union and workers decided to react decisively. In 1964 the grievance was based on the reduction in purchasing power of wages from increased prices. During the rolling stoppages there was no single grievance but

rather a range, including union leadership, demand for better worker representation and improved wages and conditions. The similarities between these examples are that each of the grievances became severe enough to warrant industrial action.

The strength of conviction amongst unionists and Holden's during the strikes were consistent and persistent. During all three industrial actions, the decision by workers to strike was unanimous. And Holden's opposition was equally forceful. The ongoing nature of the time study strike, building over years, reinforced the conviction of workers and the unions to support industrial action. The delivery of an ultimatum by unions to suspend time study methods was ignored by Holden's management. When the company continued to use the system, the workers went on strike. Holden's response to the strike was to state that time study had been in use for over 20 years and that it was the best method to ensure greater efficiencies and better planning. With neither party prepared to move, it was only intervention by the prime minister that finally resolved the impasse. Similarly, during the 1964 wage strike, unions refused to halt the industrial action despite the demands of the state industrial court, following Holden's demands, and the later imposition of fines. The changing nature of the rolling stoppages of the late 1960s and early 1970s displayed a different kind of conviction. Rather than a focus on one grievance, such as time study or wages, the industrial action took the form of small, targeted, but very effective industrial actions, sometimes of only a handful of workers. Often disregarding their union leaders, workers' loyalty changed. The case of Ted Gnatenko illustrates this. Instead of waiting for their union to satisfy their demands, workers, especially immigrants, were prepared to take control themselves. Political conviction was

also strong during this period, particularly amongst the rank and file and following the infiltration of students. Holden's reaction was as strident. Using the legal allowances of the award agreement, Holden's made submissions to the industrial court while withdrawing conditions, such as the forfeiture of some annual leave. These stances led to escalation and degraded relations between the company and the unions.

The willingness to reach an agreeable outcome differed according to the industrial action and its impact on the company and workers. The conservative VBEF often called for a return to work of its striking members in order to negotiate while employed, a position supported by the legislation and Holden's. Aware of the cost to workers, the ASE and the VBEF both advised their members not to strike during the time study confrontation. Following an investigation by the federal government, unions accepted the finding of no extension of the system. Holden's also agreed and promised no expansion of the system. Although the unions and Holden's had achieved consensus the workers disagreed and only returned to work under prime ministerial interdiction.

During the 1964 strike, negotiations progressed between the VBEF and Holden's, but the settlement reached was rejected by the ACTU Disputes Committee. Throughout negotiations the VBEF was prepared to compromise, and at no stage did Holden's sense a deadlock. Delay was caused by the intervention of the ACTU, rather than the VBEF or Holden's. The VBEF leadership did not desire industrial action, but the rolling stoppages of the early 1970s were predominantly out of their control. While the union attempted to maintain amicable relations with Holden's, the actions of its members restricted this.

The outcomes of each strike reflect the different rationales, attitudes and desire for victory of the unions and Holden's. The 1944 strike was based on conditions, in 1964 it was on wages, and the rolling stoppages of the 1970s were a combination of both. Just as the reasons for each industrial dispute were different, so too were the outcomes. The VBEF failed in its attempt to remove the time study system, while the wage demands in 1964 were predominantly met by Holden's. The rolling stoppages of the 1970s forced Holden's to improve wages and conditions at the cost of the amicable relationship the company and the VBEF had established over the previous decades. This outcome reflected a breakdown between union leaders, their members and Holden's, fuelling mistrust and an unwillingness to make further concessions. Neither a clear victory or defeat, the ongoing industrial actions represented a change in the methods used by strikers and the demands of the workers rather than those of their union leadership. By the end of the ongoing industrial strife of the early 1970s, the closeness between Holden's and the VBEF had been tested.

Through three different case studies, we have seen that the cause and outcome of strike action at Holden's varied. Although the Australian industrial relations system is based on arbitration and conciliation, these measures sometimes fail, resulting in a disagreement between unions and employers that is resolved only through more extreme actions. The outcomes of the industrial actions were as varied as their rationale. What is important here, though, is the rarity of major strikes at Holden's during the fifty-year period from 1930, an indication of the overwhelmingly close relationship between the company and its major unions for most of the company history.

Chapter 5

Motor City, the 'turnip patch' and the Lion: A comparison of GM's industrial relations in the US, Britain and Australia

'the automobile presented one of the greatest industrial opportunities in modern times' – Alfred P. Sloan, Jr.[186]

Introduction

GM's operations in Australia were not conducted in isolation. Holden's was one part of the GM global corporation with car plants worldwide. Examining how industrial relations operated in GM's other plants highlights the unique relationship that Holden's developed with its unions. This chapter investigates the industrial relations landscape at GM plants in the United States (US) and the United Kingdom (UK) in order to compare the different industrial relations practices in those countries and Australia. The chapter explores industrial disputes in the US and UK plants of GM to establish whether there are similarities in the automotive unions of the three countries. This is important for my thesis as it places the argument beyond a local and national level. By placing the argument into a broader international context, the unique relationship between Holden's and its unions can be better seen. I will illustrate the three countries' differing approaches to unionism and industrial disputes and how, in industries as large as motor car manufacture, the motor vehicle trade unions

[186] Alfred P. Sloan, Jr., *My Years with General Motors* (London: Sidgwick & Jackson, 1968), xxv.

became so powerful. The investigation will look at GM's initial growth in the US and expansion into the UK, development of unions in the car industry, legislative frameworks, violence and coercion, and strikes. I will argue that trade unionism became an integral part of GM's automotive manufacturing process internationally with the result that, over time, the differences between Australia, Britain and the US became less marked.

While the scope of this chapter is narrow in the sense of being limited to unions at GM, the time scale, in keeping with the framework of the thesis, is broad. Commencing with the establishment of craft unions in the nineteenth century, the chapter explores the three countries' experiences of economic change brought about by the Great Depression, two world wars, and social change that ranged from improvements in human rights in the US, to pay equality for women in Australia. The immediate post-Second World War period, in Australia and the US especially, was a time of unprecedented economic growth. Pent-up consumer demand was satisfied as industry transferred manufacturing capacity from wartime materiel to consumer durables – distinct from consumer goods that are non-durable – such as washing machines and cars. While Britain suffered from economic distress, reflected in a sterling crisis, demand for consumer durables paralleled that of the US and Australia. The development of the Cold War further strengthened bonds between the three countries as governments developed strategies to repel the threat (perceived or otherwise) of Communism. These threats resulted in the divisive, for Australia and the US, involvement in conflicts in South-east Asia, particularly in Vietnam.

While macroeconomic and political changes were occurring, so too were social ones. By the 1960s, the status quo was being questioned by young people,

particularly in the US, with the rise of counter-cultural and radical anti-establishment activity. The advocacy and agitation for human rights and race equality, again in the US, contributed to the rise of the black power movement and increasing militancy amongst African-Americans. The public profile of women's rights movements increased with demands for equality in the workplace and a challenge to traditional gender roles. By the close of the period under review the world, and the US, Britain and Australia specifically, had experienced profound economic and social change.

These changes are, at all stages, compared with events in Australia and, specifically, how they relate to the union relationship at Holden's. Although part of the international conglomerate of GM, Holden's continued to apply its ongoing, historical relationship with its unions. This was paralleled in the UK with progressive involvement with the company's unions to ensure reduced industrial disharmony. Although GM's attitude to unions in the US was confrontational and, at times, prone to violence, this was not promulgated throughout its global operations. By leaving local operations, such as Holden's, to draw on GM corporate management experience while remaining mostly autonomous, local managers, such as Laurence Hartnett, could work within a framework that would produce the best results for the company – less industrial disruption, higher output and greater profits.

General Motors, the auto industry and unions

At the time of Holden's merger with General Motors in 1931, the world was still experiencing the economic disaster of the Great Depression. For major corporations, such as GM, the impact of the Depression was not necessarily as

severe as that felt by Holden's. GM had been described by *Fortune* magazine in 1938 as 'not big, but colossal' and 'the biggest technological organism of our technological age'.[187] In 1937 the corporation grossed US$1.6 billion and employed a quarter of a million people.[188] This was truly phenomenal growth since the company's incorporation in 1908. A driving force behind this achievement was Alfred P. Sloan Jr., president (1923-1937), chairman (1937-1956) and CEO of GM. After completing an electrical engineering degree at the Massachusetts Institute of Technology in 1895, Sloan gained employment at the Hyatt Roller Bearing Company and was soon a consulting sales-engineer of bearings to the many fledgling motor car builders. Previously, car makers had used heavily greased wagon axles, like coaches. Sloan convinced them to use bearings, which were smoother and easier to maintain. The company, which had been in financial difficulty until Sloan and his father purchased it in 1898, soon became very profitable, with sales of $10 million by 1916. As GM began to manufacture its own components, under the United Motors Corporation name, it purchased Hyatt and appointed Sloan its president in 1918.[189] In recognition of his managerial skills, Sloan was appointed vice president of operations two years later and chair of the board in 1923.

[187] 'General Motors', *Fortune*, 18 (1938), 41.
[188] Irving Bernstein, *Turbulent Years: A History of the American Worker, 1933-1941*, Boston, Houghton Mifflin (1969), 510.
[189] Alfred P. Sloan, Jr., *My Years with General Motors* (London: Sidgwick & Jackson, 1968), 24.

Figure 5.1. Alfred P. Sloan Jr. Source: Sloan Museum.

Sloan was instrumental in developing GM and the growth of the US auto industry.[190] He focused the company toward directing sales of specific models and brands of GM cars to particular socio-economic markets. Brands, such as Cadillac, were aimed at wealthy clientele, while Chevrolet was specifically for entry-level buyers (as it remains today). What GM began to provide for customers was not the cheapest vehicle, as Ford continued to do, but differentiation in styling, performance and ride. Sloan's focus was not limited to the continental US as he acquired Vauxhall in Britain in 1925 and Opel in Germany in 1929.

[190] In each country there exists specific nomenclature that will be followed for consistency. In the US, the industry is referred to as the 'auto industry', in the UK, the 'car industry'.

Following its purchase by GM, Vauxhall became an integral part of GM's overseas operations. Vauxhall had commenced car production at Luton after being encouraged by the city council to create new industry.[191] Although growth was solid, the company was badly affected by the 1920-1921 recession in Britain and was purchased by GM in 1925. Like overseas GM plants, including Holden's, Vauxhall management was given autonomy as long as it remained profitable. Under the management of Charles Bartlett, this remained the case until 1953. Bartlett, appointed managing director of Vauxhall by GM in 1930, had previously worked for a GM subsidiary in London from 1921 until his transfer to Luton in 1926.[192] According to historian Len Holden, Bartlett was probably attractive to GM as he had training in, and used, modern management techniques as desired by senior GM managers.[193] Bartlett, known to the workforce as 'The Skipper', inherited a brutal, hire-and-fire regime that he gradually changed in order to treat his workers, according to British historian David Kynaston, 'as human beings rather than Stakhanovite extras in a remake of *Metropolis*'.[194] By avoiding lay-offs where possible, paying good wages and providing welfare amenities, unions remained marginalized at Vauxhall, with less than half of the workforce being union members during the 1950s.[195] While Vauxhall was an important part of GM's operations, the focus remained in the US where the majority of sales were to be found, and it was in Detroit that manufacturing continued to dominate.

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[191] Robert Cook, *Vauxhall: A History* (London: Tempus, 2005), 14.
[192] King, *The Motor Men*, 138.
[193] Len Holden, '"Think of Me Simply as the Skipper": Industrial Relations at Vauxhalls', *Oral History*, 9 (1981), 21.
[194] David Kynaston, *Austerity Britain, 1945-1951* (London: Bloomsbury, 2007), 489.
[195] Kynaston, *Austerity Britain*, 490.

Image 5.2. Sir Charles Bartlett. Source: National Portrait Gallery, UK.

Development of car industry unions: from craft to catch-all

The development of craft unions, specific organisations for skilled workers, began in the mid-nineteenth century both in Britain and the US. However, as we saw in Chapter One, with the advent of mass production and assembly line methods, the type of worker required was not always skilled. Rather, semi-skilled or even unskilled workers were desired by the car companies as they were considerably cheaper than skilled workers. As the workforce in the car plants changed from skilled to semi-skilled, the representation of the workers altered also. Instead of specific craft unions, catch-all organisations developed to cater for the new workforce. This section will investigate the development of the union movement in the car industry in the US and Britain and the impact of the

semi-skilled workforce on the craft unions brought about by mass production. It will compare British and US trade union development in the car industry and the reaction of companies, like GM, to their growth. By doing so, the differences of each country can be identified in order to demonstrate the uniqueness of Holden's relationship with its unions.

The introduction of mass production techniques in new factories filled with migrants altered trade unionism in the US as it was to do later in Australia. Fuelled by the mass migration of cheap, semi-skilled workers, the new factory system caused concern amongst craft workers who saw a potential devaluation of their skills, income and social status.[196] Economist Robert Margo argues that labour organisations in nineteenth century America were 'short-lived and ill-fated', and could hardly have been otherwise given that they focused on craftsmen and 'stood in uneasy alliance with (indeed, largely ignored) factory hands'.[197] Further dilution of the craftsmen's role occurred with mass immigration into the US. Between 1846 and 1855, for instance, almost three million people arrived in the US to settle, predominantly, in the east coast cities. With so many people arriving and looking for work, American employers, with their increasingly mechanised factories, were able to depress wages and conditions. Without trade unions to unite workers over common goals, the working population split along ethno-religious lines, fracturing politically.[198]

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[196] Robert A. Margo, 'The Labor Force in the Nineteenth Century'. In *The Cambridge Economic History of the United States: Volume II: The Long Nineteenth Century*, Stanley L. Engerman and Robert E. Gallman (ed.) (Cambridge: Cambridge University Press, 2000), 235.
[197] Margo, 'The Labor Force', 236. Factory hands, in this instance, denotes non-craft workers.
[198] Melvyn Dubofsky and Foster Rhea Dulles, *Labor in America: A History* (New York: John Wiley & Sons, 2014), 70.

The new factory system meant that specialized skills were no longer as important as before. Labour was soon seen as a commodity, to be bought and sold at the most favourable price by the employer. Labour historians Melvyn Dubofsky and Foster Rhea Dulles highlight the attitude, writing that '[l]ittle more sense of responsibility was felt toward the workers than toward the raw materials of manufacture'.[199] This commodification of labour caused resentment amongst workers and led to agitation to improve wages and conditions.

In order to advance wages and conditions, labour needed to organise. Unlike the British and Australian systems that saw growth in industry-related unions from the outset, the US model expanded its view to a national, rather than local, level. Fledgling attempts at unionism were made in the 1830s and later in 1866, with the establishment of the National Labor Union (NLU). The NLU was to include not only skilled workers, who were already members of trade unions, but also unskilled and agrarian workers, regardless of race and gender. Its primary aim was to achieve reform through political action and it called for all workers to become members of a union.[200] Although the lifespan of the NLU was short-lived – it collapsed in 1872 – it was the precursor to national organisations such as the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO), established in 1886 and 1935, respectively.

The precursor of the auto industry unions in the US, as in Australia and Britain, were the carriagemakers' associations. Established in major cities such as New York and Washington in the 1880s, the carriagemakers' associations

[199] Dubofsky and Dulles, *Labor in America*, 86.
[200] Joseph Adler, 'The Past as Prologue? A Brief History of the Labor Movement in the United States', *Public Personnel Management* 35 (2006), 312.

varied widely in longevity and membership. Attempts were made to unite the various carriagemakers' unions under a common entity by the Knights of Labor, a catch-all trade union with open membership to all workers.[201] However, these efforts at unification failed and members of the carriagemakers' unions joined the American Federation of Labor (AFL), which focused on craft unions, excluding unskilled labour.[202] At the organisation's first convention, it declared 'the gaining of higher wages and shorter hours to be the preliminary steps toward great and accompanying improvements in the condition of the working classes'.[203] Concurrently, the Carriage and Wagon Workers International Union of North America (CWW) was formed in 1891, affiliating with the AFL. Following a financially precarious beginning, the CWW's membership grew, rising to 5,500 by 1904. However, the CWW suffered from arguments with specific craft workers, such as blacksmiths and upholsterers' groups, which transformed the union from being an all-encompassing labour organisation for those in the carriage industry to an umbrella organization for its individual branches.[204] According to historian Thomas Kinney, even this failed to help the ailing CWW and it was only revived, momentarily, following the addition of auto workers.[205] However, any large-scale union organisation in the auto industry was not to

[201] Philip S. Foner, *History of the Labor Movement in the United States: From Colonial Times to the Founding of the American Federation of Labor* (New York: International Publishers, 1947), 434.
[202] Thomas A. Kinney, *The Carriage Trade: Making Horse-Drawn Vehicles in America* (Baltimore: Johns Hopkins University Press, 2004), 258.
[203] 'Report of Proceedings, 1884 AFL Convention', *Report of the Annual Sessions of the Federation of Organized Trades and Labor Unions of the United States and Canada* (Bloomington: Federation of Federation of Organized Trades and Labor Unions of the United States and Canada, 1906), 10.
[204] Jack W. Skeels, 'Early Carriage and Auto Unions', *Industrial and Labor Relations Review*, 17 (1964), 571.
[205] Kinney, *The Carriage Trade*, 260.

occur until the onset of the Great Depression. With the exception of Holden's, this was reflected in Australia as companies preferred to have open shops without union interference, perceived or otherwise.

During the early twentieth century, as the auto industry in the US began to expand rapidly, worker representation was not a priority. Unskilled and semi-skilled workers were not in a position to jeopardise their employment through strike action, as they could not afford the loss of wages or unemployment. High wages in comparison to other factory workers offset the working conditions and the repetitive nature of the work, with Ford announcing it would pay $5 a day in January 1914, $2 more than any other pay rate in Detroit at the time.[206] Charles Sorensen, who worked with Henry Ford during this period, recalled in his memoir that the decision was neither by legislation, nor collective bargaining, but 'one man's decision' that would be 'a wise business move'.[207] One of Henry Ford's biographers, Allan Nevis, commented that no period in Ford's history was 'more dramatic than its introduction in 1913-14 of the most advanced labor policies yet known in large-scale American industry'.[208] The result was that thousands of workers flocked to Ford plants allowing the company to select the best labour force.[209] Ford introduced a three-shift day of eight hours, rather than two of nine hours and increased the pace of production. The escalated pay rate was popular among the workforce. However, the increased demands of the company led some workers to claim that any improvements were only in the

[206] See 'Gives $10,000,000 to 26,000 Employees', *New York Times*, 6 January 1914, 1.
[207] Charles Sorensen, *My Years with Ford* (Detroit: Wayne State University Press, 2006), 135.
[208] Allan Nevins, *Ford: The Times, The Man, The Company* (New York: Scribner, 1963), 512.
[209] John Barnard, *American Vanguard: The United Auto Workers During the Reuther Years, 1935-1970* (Detroit: Wayne State University Press, 2004), 19.

company's favour.[210] The improved wages came with a series of caveats, such as paternalism and a strong anti-union stance. This was in stark contrast to employment practices in Australia's motor body industry at the time where companies, such as Holden's embraced a unionized workforce and, later, a closed shop.

For US car manufacturers, the city of Detroit was the hub of the industry and renowned for its anti-unionism. During the 1920s the city was, according to labour historian Thomas Klug, 'the epitome of the thriving and booming open-shop city',[211] with trade unionism actively discouraged by employers and their associations. Chester Culver, manager of the Employers' Association of Detroit (EAD), claimed that 'when union labor enters the door, industrial freedom goes out'.[212] His views on unionism were echoed by John Kirby, Chairman of the National Citizen's Industrial Association, a vehemently anti-union organisation formed in 1903.[213] It denounced organized labour as 'stained with injustice, oppression and crime, including treason, as to make its existence on its present form a curse to any civilized community'.[214] The EAD, known as the 'Union Wreckers' Association', had commenced an anti-union campaign in December 1902 and an economic slow-down in 1904 gave the EAD the opportunity to implement its strategy of supplying businesses with strikebreakers and court

[210] Stephen Meyer, *The Five Dollar Day: Labor Management and Social Control in the Ford Motor Company, 1908-1921* (New York: State University of New York Press, 1981), 108.
[211] Thomas A. Klug, 'Employers' Path to the Open Shop in Detroit, 1903-7'. In *Against Labor: How US Employers Organized to Defeat Union Activism* (Chicago: University of Illinois Press, 2017), 78.
[212] Quoted in 'Says "Open Shop" has made Detroit', *Detroit Free Press*, 2 December 1927, 4.
[213] See 'Outlines Campaign Against Unions', *Los Angeles Herald*, 5 December 1903, 3.
[214] Quoted in 'Attacks President's Coal Strike Policy', *New York Times*, 26 January 1904, 3.

injunctions against unions.[215] The breaking of strikes was made easier by an 1898 precedent that made most picketing illegal. Once a strike was broken, the EAD, to ensure no return of unionized labour, would recruit workers whom it would screen for suitability through its Labor Bureau. By 1906 the Bureau had details on 40,000 workers, nearly half of the Detroit workforce.[216] This degree of intrusion into workers' lives was unheard of in Australia, where the post-Federation parliament introduced workers' rights and protections in the form of the Arbitration and Conciliation Act and the Immigration Restriction Act, legislative frameworks that were unheard of in the US until after the Depression.

Reactions of labour to these developments in the US were limited, with only slow growth of unions in the auto industry. An early industrial dispute occurred in 1907 when auto unions went on strike against the EAD and the employment of migrant and unskilled workers. Ending in violence, the strike was inconsequential for the unions and it was not until the 1930s that trade unions developed true strength in the auto making companies. One reason for the slow growth of unionism within the auto makers was maintenance of personal, almost paternal, interactions with the owners and workers. Companies such as Ford, Olds and White all displayed concern over their employees' welfare. While not showing paternalistic tendencies, GM did implement worker welfare programs, such as savings plans and bonuses, which were mirrored in Australia and Britain. With better wages than most industries, GM workers were prepared to accept the impersonal and monotonous work of mass-production assembly of the

[215] Foner, Philip S. *History of the Labor Movement in the United States: The Industrial Workers of the World, 1905-1917* (New York: International Publishers, 1965), 384.
[216] Steve Babson, *Working Detroit: The Making of a Union Town* (Atlanta: Adama Books, 1984), 20.

automotive industry.[217] German sociologist Werner Sombart in *Why is There no Socialism in the United States?* (1906), argued that the lack of trade unionism was due to an inherent conservatism among American workers, who, Sombart believed, devoted themselves to capitalism.[218]

Lack of unionization, seen as ideal by US industrial leaders, was not an indication of total company control. Workers reacted against the implementation of new mass-production techniques.[219] Following the analysis, separation and simplification of manufacturing processes into distinct tasks, there was less need for skilled craftsmen.[220] As the demands of both company and worker changed, so too did the role of unions. Robert F. Hoxie, a US economist best known for his labour history, discussed unionism in his book *Trade Unionism in the United States* (1917). Pointedly, he highlighted that in labour history 'even academic and scholarly sources cannot always be relied upon for calm and unemotional statements of the truth'.[221] Of importance was his discussion of business unionism, which he described as 'trade-conscious' rather than 'class-conscious'. These unions, many of which became involved in the auto industry, tended to prefer voluntary arbitration, discipline within the organization, and avoidance of strikes or political action.[222] Hoxie's investigation was conducted during a period of great change in industry as mass-production techniques began to make a

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[217] Joyce Shaw Peterson, *American Automobile Workers, 1900-1933* (Albany: State University of New York, 1987), 150.
[218] Werner Sombart, *Why is There no Socialism in the United States?* (London: Macmillan Press, 1976), 20.
[219] David A. Hounshell, *From the American System to Mass Production 1800-1932: The Development of Manufacturing Technology in the United States* (Baltimore: Johns Hopkins University Press, 1984), 256.
[220] David E. Nye, *America's Assembly Line* (Cambridge: MIT Press, 2013), 23.
[221] Robert Franklin Hoxie, *Trade Unionism in the United States* (New York: Appleton and Company, 1917), 26.
[222] Hoxie, *Trade Unionism*, 46.

greater impact on workers' lives. While Hoxie was writing about the rise of unions, the 1920s saw a major shift away from a conservative approach to labour relations. 'The experience of the 1920s,' according to Joyce Peterson, 'is crucial to understanding the meaning of auto workers' lives'.[223] What began to change in auto workers was a sense of pride in their work. Peterson argued this came about through unionized labour that allowed the workers 'to take a united and effective stand to demand that the companies respond to their needs'.[224] While companies preferred open shops with a free-flow of labour, workers were showing a preference to organize.

Where Holden's used welfare capitalism to improve workers' lives, many US companies used it to offset unionism. Strongly paternalistic, programs in the US were designed to diminish the clash between classes while increasing productivity and improving the well-being of workers.[225] US companies implemented welfare systems to halt labour unrest, ensure open shops, reduce staff turnover and absenteeism. The concept was supported by numerous US presidents, including William McKinley, Theodore Roosevelt, William Taft and Herbert Hoover, as well as social reformers such as John Dewey and Australian-born Elton Mayo.[226] The Ford Motor Company Sociological Department, established in 1913, screened and monitored Ford employees. The department's investigators entered workers' houses and asked a range of questions on

[223] Peterson, *American Automobile Workers*, 150.
[224] Peterson, *American Automobile Workers*, 156.
[225] David Brody, *Workers in Industrial America: Essays on the Twentieth Century Struggle* (New York: Oxford University Press, 1980), 50.
[226] Erik de Gier, *Capitalist Workingman's Paradises Revisited: Corporate Welfare in Great Britain, the USA, Germany and France in the Golden Age of Capitalism 1880-1930* (Amsterdam: Amsterdam University Press, 2016), 78.

recreation, debt, marital status, religion, citizenship, health and savings to ensure workers lived a wholesome life.[227] With welfare capitalism seen as the potential future for large businesses, ten large corporations, including GM, established the Special Conference Committee in 1919. The Committee's goals were to study and exchange concepts and information on industrial relations.[228] GM's approach was broader and included savings plans, training programs and company housing. Joining GM's Industrial Mutual Association (IMA) was mandatory for workers in Flint, Michigan. The IMA, formed in 1923 following the merger of two benefit associations, offered recreational facilities, insurance, a dance hall and auditorium.[229] Erik de Gier considers the 1920s as the heyday of welfare capitalism in the US, but notes it was short-lived due to the Depression.[230]

If the Depression caused the decline in American welfare capitalism, it also created an environment for increased unionism in the auto industry. Where the CWW failed to expand its membership due to its focus on skilled workers, the United Auto Workers (UAW), from humble beginnings, created a core of unionists in the major auto makers by the end of the 1920s. Changes in employment practices, such as less seasonal hiring and a reduction in the flow of European workers through restrictive immigration legislation, resulted in generational employment in the auto plants.[231] With stability of employment came demands for higher output by workers from auto makers. Production line

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[227] Allan Nevins and Ernest Frank Hill, *Ford: Expansion and Challenge, 1915-1933* (New York: Charles Scribner's Sons, 1957), 332.
[228] G. Dornhoff and Michael J. Webber, *Class and Power in the New Deal: Corporate Moderates, Southern Democrats and the Liberal-Labor Coalition* (Palo Alto: Stanford University Press, 2011), 54.
[229] Sidney Fine, *Sit-down: The General Motors Strike of 1936-1937* (Ann Arbor: University of Michigan Press, 1969), 25.
[230] de Gier, *Capitalist Workingman's Paradises Revisited*, 78.
[231] Barnard, *American Vanguard*, 37.

speeds were raised, rest breaks reduced and harassment by supervisory staff increased, leading to resentment in the workforce and demands for representation. In contrast, at the Holden's plant at this time, union negotiation had resulted in a closed shop and higher wages for workers, removing militancy and industrial disharmony.

Changes in the political climate, coupled with three years of scarce work and wage pressure, resulted in rising militancy in the auto industry. An early attempt at collective bargaining occurred in 1930, following a reduction in the workforce and the piece rate. At the Fisher Body Plant 1, a GM subsidiary, in Flint, Michigan, hundreds of workers, reacting to the changes, walked off their jobs. Union organisers from the UAW rushed from Detroit and, with the support of the strikers, increased the strike numbers to over 3,000. The strike lasted two days until GM, with police protection, reopened the plant, hiring replacement workers from the many unemployed. The company refused to concede to any of the strikers' demands and sacked 23 of the most vociferous strikers.[232] In early 1933, workers went on strike at the Briggs Manufacturing Company, a Detroit automotive supplier, over pay deductions made when they were transferring between plants or if there were material shortages. The strike of the 6,000 Briggs workers halted production at other auto plants, including Ford, resulting in 100,000 workers being laid off.[233] As the company was renowned for its poor working conditions and tough management, the small concessions offered by Briggs to the strikers were rejected. With few resources and little planning, and a vast number of unemployed prepared to fill workers' positions, the strike lost its

[232] See 'Fisher Body Strikers Clash With Troopers', *New York Times*, 4 July 1930, 2.
[233] See 'Briggs Body factory Strike Closes Ford Plant', *New York Times*, 27 January 1933, 1.

impetus and, although the company improved some wages and conditions, many strikers lost their jobs.[234] What the Briggs strike demonstrated was the underlying degree of dissatisfaction with employment practices within the auto workforce. At the same time Holden's was working with its unions and workforce to keep as many people employed as possible by manufacturing a range of non-automotive related products, as seen in Chapter One.

The Roosevelt administration, soon after the Briggs strike, introduced legislation that was to alter the industrial relations landscape permanently. As we will see, the National Industrial Recovery Act (NIRA) allowed collective bargaining and union representation. The inability of the AFL to organize auto workers following the introduction of the NIRA, allowed entry of the United Auto Workers (UAW) union and the leader who was to be influential in the union movement for decades to come, Walter Reuther. The son of a socialist and union activist, Reuther worked as a die-maker for Ford until he was laid off in 1932, for what he stated was his socialist proclivity.[235] He travelled to Europe with his brother soon after and worked for two years at the Gorky car plant in the Soviet Union.[236] On his return to the US, Reuther worked as an unpaid organizer of the UAW at GM's Ternstadt plant, though he was not an employee. An accomplished public speaker, he was elected to the executive board during the 1936 UAW national convention at the age of twenty-eight. As a full-time union official, as will be seen later in this chapter, Reuther was to play a key role in the most successful strike in US auto industry.

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[234] See 'Briggs Heads Rebuff a Strike Committee', *New York Times*, 7 February 1933, 21.
[235] Nelson Lichtenstein, *The Most Dangerous Man in Detroit: Walter Reuther and the Fate of American Labor* (New York: Basic Books, 1995), 33.
[236] This plant was being constructed with Ford.

Image 5.3. Walter Reuther. Source: Walter P. Reuther Library, Wayne State University.

The Depression slowed union growth in US industry, but by the mid-1930s militancy had reached new heights. To facilitate economic growth, President Roosevelt, on 16 June 1933, approved the National Industrial Recovery Act (NIRA).[237] The legislation, part of the New Deal, was designed to improve cooperation between workers and employers, facilitate trade unionism and relieve unemployment.[238] Directly impacting the auto industry was a provision that called for auto makers to change the timing of their new model release in order better to control labour use.[239] For unionized labour, Section 7 of the Act was of greatest importance.[240] This section stated that 'employees shall have the

[237] See 'Roosevelt Hails Goal', *New York Times*, 17 June 1933, 1.
[238] Milton Handler, 'The National Industrial Recovery Act', *American Bar Association*, 440 (1933), 440.
[239] Russell Cooper and John Haltiwanger, 'Automobiles and the National Industrial Recovery Act: Evidence on Industry Complementarities', *The Quarterly Journal of Economics*, 108 (1993), 1043.
[240] 'Labor Laws', *Monthly Labor Review* 37 (1933), 74.

right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers'.[241] Workers were finally given the freedom, through legislation, to join the union of their choice. The legislative changes in the US created an avenue for unions, especially the UAW, to expand. At Holden's in South Australia the workforce had no choice as the closed shop arrangement meant all workers were unionized. Their experience, though, was significantly different to workers in the US as Holden's was not coerced through government intervention to engage with unions.

As was the case in the US and Australia, the precursors to the British car industry unions were the coach and carriage makers' unions. These organisations were strong and mainly based in larger cities, such as London.[242] Historian R.A. Leeson, drawing on Harold Nockolds's *The Coachmakers* (1977), outlined the beginning of the craft union organization in Britain. He wrote of the development being in two stages: the first, in the late eighteenth century, saw the coalescing of trade societies between different towns to aid in the regulation of labour due to the itinerant nature of craftsmen seeking work. The second stage, from the mid-1830s, was a period of amalgamation in order to create stronger financial and centralized organisations.[243]

The future impact of the automobile on coachmakers became apparent by the end of the nineteenth century. In his 1895 presidential address to the

[241] *National Industrial Recovery Act 1933*, Section 7, 5.
[242] G. D. H. Cole, 'Some Notes on British Trade Unionism in the third Quarter of the Nineteenth Century', *International Review for Social History* 2 (1937), 5.
[243] R. A. Leeson, 'Business as Usual – Craft Union Developments 1834-1851,' *Bulletin of the Society for the Study of Labour History* 49 (1984), 15-16.

Institute of British Carriage Manufacturers, John Philipson spoke of the future of coachmaking. He said that 'the use of locomotives on highways is one that no coachmaker can regard with indifference'.[244] He continued, discussing the new 'light self-propelled carriages which are used in France, where they are very correctly called "automobiles"', and accurately forecast that these vehicles were certain to 'grow to extraordinary proportions'.[245] Philipson's words were prescient. By 1911 output of the British car industry reached 16,000 vehicles per annum.[246] Despite the slowdown during the First World War, the industry expanded to become the largest producer in Europe by 1932.[247] As the industry expanded, the demand for worker organisation outside the traditional craft unions grew.

The changing nature of production was reflected in the differing role of trade unions. While craft unions, such as the Amalgamated Society of Engineers, refused to accept membership of non-skilled workers, other unions did. The Workers' Union, with low subscriptions and an open policy, satisfied the demand of semi-skilled workers for representation.[248] Union membership increased further during both world wars following the government policy of corporatism that ensured a controlled labour force and regulated employers.[249]

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[244] Harold Nockolds, *The Coachmakers: A History of the Worshipful Company of Coachmakers and Coach Harness Makers 1677-1977* (London: J.A. Allen, 1977), 116.
[245] Nockolds, *The Coachmakers*, 116.
[246] Peter King, *The Motor Men: Pioneers of the British Car Industry* (London: Quiller Press, 1989), 7.
[247] Robert Millward and John Singleton, *The Political Economy of Nationalisation in Britain, 1920-1950* (Cambridge: Cambridge University Press, 1995), 89.
[248] W. Hamish Fraser, *A History of British Trade Unionism 1700-1998* (London: Macmillan, 1999), 119.
[249] Gerry R. Rubin, *War, Law and Labour: The Munitions Acts, State Regulation, and the Unions, 1915-1921* (Oxford: Clarendon Press, 1987), 18.

Manufacturers were forced to deal with unions regardless of preference, establishing a relationship that continued during peacetime.

The post-1945 period reflected the changing nature of British workers and society generally. British workers, like those in Australia, were able to purchase goods, like televisions, washing machines and vacuum cleaners, that had been previously regarded as luxuries.[250] In 1963, Graham Turner stated that the well-paid car workers epitomized 'the new craze for gadgetry and glossy hardware' and, like Americans, 'were willing to move to the money, wherever it may be found'. Lamenting the changed circumstances of the postwar period, Turner stressed that the workers 'had none of the deep-rooted, firm-footed permanence of the traditional working class'.[251] Turner's attitude reflected what became known more generally as British 'declinism', particularly after the Suez crisis in 1956.[252] Historian Jim Tomlinson, though, has rejected this argument as 'overblown, ill-focused and quite often absurd', stating that it was a change in economic circumstance.[253] The consumer boom of the postwar period, especially with the high wages paid by the car makers, led Donald Sassoon, in *One Hundred Years of Socialism* (1996), to write that reaction against the consumer society was 'as hopeless as those of the Luddites of yesteryear against machines'.[254] The changing profile of the car workers and their increased consumerism in the

[250] Peter Gurney, 'The Battle of the Consumer in Postwar Britain', *The Journal of Modern History* 77 (2005), 957.
[251] Graham Turner, *Carmakers* (London: Eyre & Spottiswood, 1963), 11.
[252] Stuart Ward, *British Culture and the End of Empire* (Manchester: Manchester University Press, 2011), 8.
[253] Jim Tomlinson, 'The Decline of the Empire and the Economic 'Decline' of Britain', *Twentieth Century British History* 14 (2003), 203.
[254] Donald Sassoon, *One Hundred Years of Socialism* (London: IB Taurus, 1996), 196.

postwar period, as in Australia, reflected the wider societal changes in Britain and internationally.

Changes also occurred in union structure in Britain, particularly in the 1970s, with a rise in worker militancy and questioning of union leadership. Previously three main unions represented workers in the British car industry, the Transport and General Workers Union (TGWU), National Union of Vehicle Builders (NUVB) and Amalgamated Engineers Union (AEU). In 1972 the TGWU and NUVB merged to form the Vehicle Building and Automotive Group under the banner of the TGWU. The amalgamation resulted in the largest union in the car industry with over 250,000 members and became the dominant negotiator.[255] This amalgamation made it easier for companies like Vauxhall to negotiate with unions and settle disputes more quickly. While unions in the rest of the car industry became increasingly militant and strike-prone, it took time, as will be seen later in this chapter, for this to occur at Vauxhall. What was occurring in Britain was happening internationally, with increasing militancy and rank and file involvement in union activities. At Holden's, as seen in Chapter Four, members were querying the validity of union leadership while increasing rank and file militancy.

Trade unions involved in the car making industry in Australia, Britain and the US began in similar circumstances. Following the introduction of mass production and tasks that could be completed by semi-skilled workers, craft union members were no longer in high demand. The selective craft unions were soon surpassed by trade unions that were attractive to workers on the

[255] D. G. Rhys, 'Employment, Efficiency and Labour Relations in the British Motor Industry', *Industrial Relations Journal* 5 (1974), 7.

production lines. This, though, is where the similarities cease. In Australia, Holden's embraced unionism and created closed shops; in Britain unionism was accepted but not promoted; and in the US, unions were actively opposed until enforced by legislation. These differences related directly to the degree of industrial strike activity. In Australia, where Holden's had close relations with its unions, strike activity was low. This was similar at Vauxhall in Britain, but the opposite was the case in the US. The relative harmony between Holden's and its unions ensured continued production with few disruptions and a stable workforce. Outcomes were different in the US where union activity could result in the moving of factories to anti- or non-union areas, causing interruptions to output and high employee turnover.

Legislative frameworks for industrial relations

This section will argue that industrial relations legislation developed differently in Britain and the US due to ideology. Whereas legislation was developed early in British industrial labour history, US industrial laws were not legislated until the Depression. As seen above, unionism was, for many US companies, not desirable. Australia drew on its cultural heritage, adopting British laws and legal precedents. Once the country federated in 1901, Australia introduced its own unique industrial legislation in the form of the *Conciliation and Arbitration Act*.

Legislation affecting workers in Britain can be traced back to the eighteenth century. The common law of conspiracy was the earliest legal mechanism used against workers when they attempted to combine to increase wages. By 1800, two Combination Acts had been passed that criminalised

combinations or contracts that intended to increase wages, reduce hours worked or impede on employers' rights to hire whom they pleased.[256] In essence, they outlawed trade unionism. By 1824 a new act allowed workers to enter into a combination exempting them from prosecution. This, however, did not prevent penalties under the common law of conspiracy being handed down on workers by judges.

The introduction of arbitration legislation commenced a gradual process of improvement of workers' rights in Britain. The British arbitration acts were legislated as early as the turn of the nineteenth century, but tended to be industry-specific, such as the cotton arbitration acts.[257] The framework of an all-encompassing arbitration provision did not come about until the introduction of the *Common Law Procedure Act 1854* and culminated in the *Arbitration Act 1889*. By the time of the bill's enactment, the question of trade unions had become a common discussion point. A *Manchester Guardian* newspaper editorial of 1868 proposed that union demands were for legitimacy in law, in much the same way as other associations, and that any legal actions should be treated in an unbiased manner.[258] Writing later, Baron Parker, Lord Chief Justice of England, stated that the new act established a 'systematic code of law … amending and consolidating previous practice'.[259] Such was the strength of the legislation that it remained unchanged for 45 years and became the foundation of arbitration law in Britain

[256] Ron Harris, 'Government and the Economy'. In *The Cambridge Economic History of Modern Britain. Volume I: Industrialisation, 1700-1860*, Roderick Floud and Paul Jonson (ed.) (Cambridge: Cambridge University Press, 2004), 209.
[257] James A. Jaffe, 'Industrial Arbitration, Equity, and Authority in England, 1800-1850, *Law and History Review* 18 (2000), 537.
[258] 'Trade Unions', *Manchester Guardian*, 17 October 1868, 6.
[259] Baron Parker, *The History and Development of Commercial Arbitration: Recent Developments in the Supervisory Powers of the Courts over Inferior Tribunals* (Jerusalem: Magnes Press, 1959), 14.

and the Commonwealth.[260] This legislation allowed the formation of a new type of negotiating institution with a solid legal underpinning, replacing the ad hoc nature of boards of arbitration and conciliation that had existed previously.[261]

Support for trade unions came with specific industrial relations laws. The *Trade Union Act* of 1871 was passed by the Gladstone government after recommendations of the Royal Commission on Trade Societies in 1867 that investigated the legality of trade unions. The Act, 'a milestone in the history of labour', according to labour historian H. W. McCready, 'granted unions full legality, a privileged position with regard to financial liability, protection of funds, and all the other reforms they had wished'.[262] This position was further improved in 1875 when the Disraeli government legalized peaceful picketing under the *Conspiracy and Protection of Property Act*.[263] These advances for unionized labour remained the most important legislative changes until the outbreak of war in 1914. For Australia, the important legislative changes at this time were introduced after Federation in the *Conciliation and Arbitration Act* that drew on British legal precedent, but intended to be a uniquely Australian system that promoted industrial relations harmony and went much further. Industrial harmony was promoted through unionism, agreements and negotiation, and was among the most progressive legislation internationally.

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[260] Rashda Rana and Michelle Sanson, *International Commercial Arbitration* (Sydney: Thomson Reuters, 2011), 12.
[261] Chris Howell, *Trade Unions and the State: The Construction of Industrial Relations Institutions in Britain, 1890-2000* (Princeton: Princeton University Press, 2005), 57.
[262] H. W. McCready, 'British Labour and the Royal Commission on Trade Unions, 1867-9', *University of Toronto Quarterly* 24 (1955), 391.
[263] *Conspiracy and Protection of Property Act 1875*, 38 & 39 Vict.

The requirements of industrial mobilisation during the First World War resulted in the British government encouraging union membership. From 1913 to 1919 union membership doubled from four to eight million.[264] This increase of unionism was a result of negotiations between employers and trade unions arranged by the government at the Shell Conference in December 1914. Early the next year the Committee on Production was established followed by the Treasury Conference in March during which the unions, with the exception of miners' unions, came to a voluntary agreement to halt restrictive practices and avoid strikes through arbitration. However, labour shortages and lower manufacturing output led to the *Munitions of War Act* and the subsequent formation of the Ministry of Munitions under David Lloyd George.[265] The Act, passed in 1915, gave the new ministry power to declare factories 'controlled establishments' and restrict the movement of workers.[266] The Committee on Production became an arbitration tribunal. Although these measures were intended to prevent strikes, industrial discontent grew from shortages, inflation and profiteering.

Progress in industrial relations were challenged at the conclusion of the war. The *Pre-War Practices Act*, passed in 1919, fulfilled a promise to reinstate regulations that were in force before the outbreak of war. These included overtime restrictions, apprenticeship rules and closed shop agreements.[267]

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[264] Barry Eichengren, 'The British Economy between the Wars'. In *The Cambridge Economic History of Modern Britain. Volume I: Economic Maturity, 1860-1939*, Roderick Floud and Paul Jonson (eds.) (Cambridge: Cambridge University Press, 2004), 321.
[265] Antoine Prost, 'Workers'. In *The Cambridge History of the First World War: Volume II: The State*, Jay Winter (ed.) (Cambridge: Cambridge University Press, 2014), 328.
[266] Denys Hay, 'The Official History of the Ministry of Munitions 1915-1919', *Economic History Review* 14 (1944), 185.
[267] Gerry R. Rubin, 'Law as a Bargaining Weapon: British Labour and the Restoration of Pre-War Practices Act 1919', *Historical Journal* 32 (1989), 925.

According to J. A. Dowie, this presaged 'a period of growth almost as rapid as any comparable length in British measured history', paralleling that in the US.[268] Alongside this growth was the rise of union militancy. Industrialist and company director, Sir William Weir, consulted the government over the change in industrial relations. Writing in 1920, Weir stressed that it was time for the government to 'take practical steps to create a new industrial atmosphere' or lose the support of 'the sober-minded worker and moderate Trade Unionist'. His solution was 'a clear-cut and definite policy of guidance on the part of the State' to reduce the trade union policy towards regimentation and hostility to co-operation.[269] Weir's call for moderation was tested only a few years later during the 1926 General Strike, but reflected the Australian system of conciliation and arbitration.

Where Australia's Labor Party had formed in the late nineteenth century, promoting workers' rights through political representation, it took longer in Britain. Increased worker militancy and the positive economic environment increased trade union focus from industrial to political action. The 1926 General Strike, which closed down the British economy for nine days, resulted in the *Trade Disputes and Trade Union Act*. Attorney General and government spokesperson, Sir Douglas Hogg, argued in parliament that the new legislation was to make general strikes illegal, so too intimidation, that no one should contribute funds to a political party against their will, and that civil servants

[268] J. A. Dowie, 'Growth in the Inter-War Period: Some More Arithmetic', *Economic History Review* 21 (1968), 93.
[269] Notes by Sir William Weir on the need for the Govt to formulate a constructive industrial policy to reduce militancy, CHAR 2/112/68.

should not have to join a union. Added to this was the banning of closed shops.[270] In contrast to the progressive legislation created in Australia, British industrial relations legislation was regressive. For American Alpheus T. Mason, writing in the *American Political Science Review* in 1928, these propositions appeared 'so harmless, so fair and justifiable, that one may find it difficult to conceive how anyone, even members of the Labor party, could possibly object' to the legislation.[271] However, the resultant Act was only concluded after extensive and stubborn parliamentary debate. The underlying issue for Stanley Baldwin's Conservative government was that of the changing nature of trade unionism from being focused on industrial to political action.[272] In reaction to this, the government's rapid introduction of the bill, without any Royal Commission investigation, was aimed at reducing union power. Preceding legislation was designed to reduce industrial disputes in the courts, but the 1927 Act altered this, reversing union gains and exposing their members to legal repercussions.[273]

Union activity did not fall to the disastrous levels forecast by Weir and was curtailed by the onset of the Great Depression. According to Derek Aldcroft, the impact of the Great Depression was not as severe in Britain as it was in the US and economic recovery came relatively quickly.[274] But if economic recovery was rapid, union membership was not. Hamish Fraser, in *A History of British*

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[270] *Industrial Relations Handbook*, Ministry of Labour and National Service, London, (1944), 18.
[271] Alpheus T. Mason, 'Foreign Governments and Politics,' *American Political Science Review*, 22 (1928), 144.
[272] H. A. Mills, 'British Trade Disputes and Trade Unions Act', *Journal of Political Economy*, 36 (1928), 315.
[273] Adrian Williamson, 'The Trade Disputes and Trade Unions Act 1927 Reconsidered', *Historical Studies in Industrial Relations*, 37 (2016), 70.
[274] Derek Aldcroft, *The Inter-War Economy: Britain, 1919*-1939 (New York: Columbia University Press, 1971), 80.

Trade Unionism 1700-1998 (1999), wrote that union growth struggled and that 'by the end of the 1930s scarcely more than one worker in three in metals and engineering was organized and just one in five in the chemical industries'.[275] The post-Depression period in Australia, Britain and the US was one of changes in unionism in the car industry. At Holden's, the merger with GM ensured the company's survival and continuation of the existing arrangements with the VBEF. In Britain, trade unions had become more militant while in the US collective bargaining had become legislated. While the impact of the Depression was equally harsh in each country, the opportunities presented to the unions were distinctly different.

Legislative changes in Britain, many similar to those implemented during the First World War, were introduced after the outbreak of war in 1939. The *Emergency Powers (Defence) Acts* that were introduced in 1939 and 1940 provided the Minister for Labour extensive powers under the Conditions of Employment and National Arbitration Order, better known as Order 1305. Unless previously arranged with the Minister, Order 1305 made strikes and lock-outs illegal, and established the National Arbitration Tribunal that dealt with disputes, and reinforced collective bargaining.[276] The desire of the Minister was that at the conclusion of hostilities, all industry in Britain would have some form of wage-regulating machinery.[277] Despite these provisions, industrial action increased and, as in Australia and the US, toward the end of the war was greater than in the pre-war years.

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[275] Fraser, *A History of British Trade Unionism*, 182.
[276] Wrigley, C. J. (ed). *A History of British Industrial Relations*, Vol III, 1939-1979 (Cheltenham: Edward Elgar, 1996), 26.
[277] Wrigley, *A History of British Industrial Relations*, Vol III, 38.

During the war, government intervention in British industry was instigated from the highest office. In order to counter industrial disputes that would hamper wartime production, particularly of munitions, Prime Minister Winston Churchill employed all his skills of tact and negotiation. To achieve industrial harmony Churchill had to ensure that the General Secretary of the Trade Unions Council, Sir Walter Citrine, whom he thought of as 'a man of considerable importance', be consulted.[278] Citrine, in an address delivered to the Annual Convention of the American Federation of Labour in New Orleans in November 1940, stated that no government schemes could be introduced without the consent and consultation of the unions. The Council accepted that the government should have the ability to 'order any person to put his services at the disposal of the state', but warned that it was 'a terrific power for any government to have at its disposal'. What was important to Citrine was that 'if this was a war to defend *democracy* it was not going to be a war to create a *plutocracy*'.[279] Although Citrine took a strong stance against the government, he was resolutely anti-Marxist and believed that unions should ultimately participate in management.[280] The amicable relationship between the government and trade unions ensured relative industrial harmony in the early years of the war. According to H. M. D. Parker, the official historian of British manpower during the war, the policy of 'restraint and responsibility' was justified with only minor disturbances to production.[281] Events in Australia

[278] Letter from Winston Churchill to Anthony Eden, 25 August 1940, CHAR 20/2A/54.
[279] Address delivered by Sir Walter Citrine to the 60th Annual Convention of the American Federation of Labour, 25 November 1940 in New Orleans, CHAR 20/4B/148.
[280] See 'Sir Walter Citrine', *The Observer* (UK), 6 June 1943, 3.
[281] H.M.D. Parker, *Manpower: A Study of War-Time Policy and Administration* (London: HMSO, 1957), 455.

followed a similar path, with industry and unions working closely together in the first years, though as the war progressed industrial disputes increased.

During the postwar period wartime legislation was repealed and replaced. The first piece of major industrial relations legislation to be annulled was the Conditions of Employment and National Arbitration Orders, 1940 and 1950. These acts, replaced by the Industrial Disputes Order, 1951, introduced changes in collective bargaining and industrial disputes. Writing contemporaneously, legal scholar Otto Kahn-Freund stated that the Industrial Disputes Order signalled the end of the 'attempt to use the machinery of criminal law for the furtherance of industrial peace', which was a failure.[282] With the end of the prohibition of strikes and lockouts a new arbitration body, the Industrial Disputes Tribunal, was formed in 1952. Central to these changes was the removal of the clause that ensured trade union membership and the right of an individual worker to report a dispute to the Minister. However, compulsory arbitration remained in force. While these legislative changes were being implemented in Britain, the Australian arbitration laws remained the same, representing a consistency of over half a decade of industrial dispute resolution.

British legislative alterations were made along ideological grounds with changes in government. In October 1958 the new Conservative government's Minister for Labour, Iain Macleod, announced the abolition of the Industrial Disputes Tribunal and a return to voluntary arbitration. In a statement to the National Joint Advisory Council, Macleod said that it 'had become evident that compulsory arbitration, in its main features, no longer carried the assent of the

[282] Otto Kahn-Freund, 'Industrial Disputes Order, 1951', *Modern Law Review*, 14 (1951), 468.

majority of employers'.[283] The Trade Union Council had resisted the end of compulsory arbitration, arguing that though unions and employers generally negotiated amicably, it was useful to have an impartial body that could be referred to if a deadlock occurred.[284] The British abandonment of compulsory arbitration on political grounds was not replicated by the Menzies government in Australia. This was partially due to the lack of need for reform as the Australian economy remained strong with high demand for labour.

Increased worker militancy and strike activity during the 1970s resulted in further changes in industrial relations legislation in the UK. Minor legislative changes had been implemented during the 1960s, but the *Industrial Relations Act 1971* saw the greatest change for over a decade. Commenting at the time, legal scholar Roger Rideout wrote that the new legislation was 'cast in terms of the public interest'[285] and the inaugural issue of the *Industrial Law Journal* claimed it was 'a more positive framework for British industrial relations'.[286] The new legislation was intended, in the eyes of the Conservative government, to remedy the high strike rate, uncontrollable labour costs and restrictive labour practices.[287] However, the Act was designed to weaken union powers by forcing union registration, abolition of the closed shop and compulsory use of secret ballots.[288] A tribunal was established to investigate complaints, and proved to be a precursor of a range of future tribunals that became an integral part of the

[283] Quoted in 'End of Compulsory Arbitration', *Manchester Guardian*, 23 October 1958, 1.
[284] See 'Keeping Arbitration Compulsory?', *Manchester Guardian*, 23 January 1928, 1.
[285] R. W. Rideout, 'Industrial Relations Act 1971', *Modern Law Review* 34 (1971). 655.
[286] Charles D. Drake, 'Recent Legislation', *Industrial Law Journal*, 1 (1972), 29.
[287] Chris Howell, 'Trade Unions and the State: A Critique of British Industrial Relations', *Politics & Society* 23 (1995), 149.
[288] *Industrial Relations Act 1971*.

British industrial relations system.[289] For labour historian Chris Howell, 'the industrial relations reforms of the 1970s ultimately proved too fragile to survive the onslaught of structural economic change'.[290] The Conservative governments after 1979 embraced an outright hostile attitude toward collective bargaining through restrictive industrial relations legislation in an attempt to minimize trade union power.[291] The end of the long boom of the postwar period also saw the conclusion of predominantly Labor governments that had pro-union interests. Much of the progress made by unions was to be tested and reduced under the strict conservatism of the Thatcher government in the 1980s. As some of the largest unions in the country, the car industry unions reacted adversely to the impositions placed upon them by the government and the reductions in their power. This was reflected in the increased strike rates at many British car plants throughout this period.

The British experience differed substantially from events in Australia and the US. As we have seen, the postwar boom in Britain was slower to commence and encountered serious economic setbacks, such as the sterling crisis. For workers in Australia, and the US, the postwar boom began earlier and was more consistent than in Britain. During the period Australians were governed predominantly by the Menzies government which, along with successive governments, did not alter the existing industrial relations legislation. The

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[289] Patrick Maguire, 'Labour and the Law: The Politics of British Industrial Relations, 1945-79'. In *A History of British Industrial Relations, 1939-1979*, Chris Wrigley (ed.) (Cheltenham: Edward Elgar, 1996), 53.
[290] Chris Howell, *Trade Unions and the State: The Construction of Industrial Relations Institutions in Britain, 1890-2000* (Princeton: Princeton University Press, 2005), 127.
[291] William Brown, Simon Deakin and Paul Ryan, 'The Effects of British Industrial Relations Legislation 1979-97', *National Economic Review* 161 (1997), 74.

differences between the three countries, though, had largely disappeared by the 1970s with the rise of rank and file militancy and dramatically increased strike activity.

While the British industrial relations system was steeped in legislative history, the US did not implement any federal labour legislation until Roosevelt's New Deal in 1933. In his inauguration speech on 4 March 1933, Roosevelt, addressed the economic dilemma that America was facing. 'Happiness', he said, 'lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort'. The task ahead was 'to put people to work' and to that end he proposed moves 'against a return of the evils of the old order: there must be a strict supervision of all banking and credits and investments, so that there will be an end to speculation with other people's money'. Drawing on a biblical analogy, Roosevelt told the American people that the 'money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths'.[292] In this speech, according to one of his biographers, Roosevelt swept aside the 'long dreary years of Hoover's pettifogging and sermonizing and evasions' and heralded the New Deal.[293]

The New Deal impacted on the automotive industry with the introduction of the National Industrial Recovery Act (NIRA).[294] The legislation, introduced on 16 June 1933, was designed to remove obstructions to the free flow of trade; provide welfare through promotion of cooperative action among trade groups;

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[292] *U.S. Presidential Inaugural Addresses from Washington to Obama* (Auckland: The Floating Press, 2009), 410.
[293] Conrad Black, *Franklin Delano Roosevelt: Champion of Freedom* (London: Weidenfeld & Nicolson, 2003), 272.
[294] See 'Roosevelt Hails Goal', *New York Times*, 17 June 1933, 1.

induce united action of labour and management under government supervision and sanctions; eliminate unfair competitive practices; promote full production of industry; avoid restrictions to production; facilitate industrial growth through an increase in purchasing power; relieve unemployment; improve standards of labour; rehabilitate industry; and conserve natural resources.[295] Directly impacting the auto industry was a provision that called for auto makers to change the timing of their new model release in order better to control labour use.[296] Rather than all new models being released onto the market simultaneously, the staggering of launches would spread labour demands over a wider time period. Thus, the seasonal nature of the auto industry would be replaced by more consistent work, providing workers with greater stability and reliability of employment.

For unionized labour in the auto industry the most important part of the NIRA was that which dealt with collective bargaining.[297] This section stated that 'employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers'. Further, no worker would be required to join a company union, but remained free to join a union of their own choice, and working hours and conditions were to be regulated by the government.[298] This new legislative framework created an avenue for unions to expand their

[295] Congressional Record, Senate, 26M 1934, 1067; Milton Handler, 'The National Industrial Recovery Act', *American Bar Association*, 19 (1933), 440.
[296] Russell Cooper and John Haltiwanger, 'Automobiles and the National Industrial Recovery Act: Evidence on Industry Complementarities', *The Quarterly Journal of Economics*, 108 (1993), 1043.
[297] 'Labor Laws', *Monthly Labor Review* 37 (1933), 74.
[298] *National Industrial Recovery Act 1933*, Section 7, 5.

activities and broaden their worker representation. While this was a novelty for US workers and trade unions, similar measure had been in place in Australia since the introduction of the *Conciliation and Arbitration Act* in 1904.

The new industrial relations environment in the US provided an unheralded opportunity for unionism at auto plants. Negotiating on members' behalf, the American Federation of Labor (AFL), previously affiliated with the CWW, rejected the auto company demands for lists of union members and argued that representatives of the majority of workers in specific plants should bargain collectively for workers. By March 1934, the differences between the companies and the AFL intensified and strike action was threatened.[299] Before matters worsened Roosevelt intervened, establishing the Automotive Labor Board in May 1934. The board was responsible to the President and consisted of a representative from the company, the union, and a neutral party.[300] At the close of the first phase of the New Deal at the end of 1935, auto workers remained predominantly unorganized and unprotected. The contrast here between Holden's operations in Australia, which was in the process of negotiating a completely closed shop, is starkly apparent. Where Australian unions used the legislation to form workplace agreements, the US unionists had still to organize. The auto companies' actions, relying on the precedent of violence and coercion, as will be explored later in this chapter, had been largely successful in suppressing union activities.

[299] Sidney Fine, 'Proportional Representation in the Auto Industry', *Industrial and Labor Relations Review* 12 (1959), 184.
[300] See 'Roosevelt Averts Strike', *New York Times*, 26 March 1934, 1.

Collective bargaining, used already in Britain and Australia, was to be the most significant section of the new US industrial relations legislation. The *National Labor Relations Act*, introduced in July 1935, became the central legislation to control collective bargaining. Known also as the Wagner Act, after Senator Robert Wagner, the legislation guaranteed the right of workers to bargain collectively through a representative of their own choosing, without interference or coercion from their employer. For economist Lois MacDonald, commenting at the time, the legislation was 'more comprehensive than any previous labor measure passed by Congress'.[301] When the Wagner Act was deemed constitutionally valid by the Supreme Court in 1937, Wagner announced that the 'right to bargain collectively is at the bottom of social justice for the worker' and the 'denial of this right means the difference between despotism and democracy'.[302] More strident were his comments reported in the *New York Times* where he said that

> [f]ascism begins in industry, not in government. The seeds of communism are sown in industry, not in government. But let men know the dignity of freedom and self-expression in their daily lives, and they will never bow to tyranny in any quarter of their national life.[303]

The Wagner Act remained in place through the Second World War until its reappraisal in 1947 following a spate of unrest throughout US industry.

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[301] Lois MacDonald, 'The National Labor Relations Act', *American Economic Review* 26 (1936), 412.
[302] Quoted in Charles J. Morris, *The Blue Eagle at Work: Reclaiming Democratic Rights in the American Workplace* (New York: Cornell University Press, 2005), i.
[303] Quoted in 'The Ideal Industrial State – As Wagner Sees It', *New York Times Magazine*, 9 May 1937, 23.

Industrial unrest and union corruption provided the opportunity for legislative changes in postwar America. Better known as the Taft-Hartley Act, the *Labor-Management Relations Act* was, according to sociologist Michael Wallace, 'a watershed moment in US labor relations since it swung the balance of power back toward employers'.[304] The new legislation outlawed closed shops, restricted certain strikes, banned unions on funding federal electoral activity, and required union officers to provide non-Communist affidavits.[305] Despite President Truman's veto of the bill, which he saw as an assault on ordinary working people, the law was passed by Congress in 1947.[306] Protesting against its passage, labour organisations labelled it a 'slave-labor bill'.[307] A second assault on unions was based on corruption through hearings of the US Senate's Select Committee on Improper Activities in the Labor or Management Field. The *Labor-Management Reporting and Disclosure Act*, better known as the Landrum-Griffin Act, required unions, union officers, and employers and their associations to report financial arrangements, union elections and operational procedures to the Secretary of Labor.[308] While the attempts at union curtailment through reduction of union powers and attacks on corruption failed seriously to alter the industrial relations landscape, the government and business continued to seek avenues to limit unionism.

[304] Michael Wallace, 'After Taft-Hartley: The Legal-Institutional Context of US Strike Activity, 1948 to 1980', *Sociological Quarterly* 48 (2007), 770.
[305] Publisher's Editorial Staff, *The Taft-Hartley Act After One Year* (Washington: The Bureau of National Affairs, 1948), 2.
[306] David McCulloch, *Truman* (New York: Simon & Schuster, 1992), 566.
[307] Dubofsky and Dulles, *Labor in America*, 330.
[308] Philip Taft, 'The Impact of Landrum-Griffin on Union Government', *Annals of the American Academy of Political and Social Science* 33 (1961), 130.

The end of postwar affluence by the 1970s was felt equally in Australia, Britain and the US. The economic momentum of expansion and prosperity succumbed to inflation, oversupply and the 'oil shock', leading to recession and unemployment. While US legislation for collective bargaining remained in force and unions continued to represent members and provide benefits, membership numbers had declined. For labour historian James Gross, the opposition of US employers had

> been the biggest obstacle to the acceptance of the congressionally sanctioned national labor policy of collective bargaining. This pervasive opposition is a primary reason the United States stands almost alone among democratic nations in leaving the great majority of its statutorily covered workers without any organization and representation at the workplace.[309]

The legislative outcomes in the US and Britain were similar, with greater worker representation and collective bargaining, particularly in large industries including the automotive industry. However, the processes to achieve these results differed widely.

It is apparent from the preceding review of industrial relations legislation in Britain and the US that the legislative frameworks in Australia and those two countries differed significantly. While Australia, unsurprisingly, drew from common law practices and legislative precedents from Britain, the US continued until the Great Depression with a laissez-faire system. The reaction by employers and workers to the imposition of industrial relations legislation varied from country to country. It could be argued that if the US did not suffer the Great

[309] James Gross, *Broken Promise: The Subversion of U.S. Labor Relations Policy, 1947-1994* (Philadelphia: Temple University Press, 1990), 277.

Depression then labour laws, such as those implemented by Roosevelt, would not have come about. The belief in the free market, endorsed by employers and their associations, would have prevailed, limiting unionism and workers' rights. This attitude was seen in the auto industry where large companies, such as GM and Ford, actively dissuaded unionism and used their corporate powers to curtail legislative powers. According to labour historian Philip. S. Foner, 'Callous exploitation of labor, especially women and children, long hours and appalling sanitary conditions were typical' of American industrial working conditions in the late nineteenth century.[310] If workers succeeded in gaining legal recourse it was common practice for the courts to weaken or remove these successes, such as the right to join a union, by declaring them unconstitutional. This remained the case until the New Deal legislation was introduced. Even then the law came under constant attack by employer groups and lawmakers with victory, to a certain extent, being achieved with the passing of Landrum-Griffin Act. What is apparent, and argued by labour historian Peter Rachleff in *Against Labor* (2017), is that employers in the US have still not accepted unionism; they resist workers organizing; have relied on government intervention at times for their advantage; and their success in keeping workplaces union free have had varied outcomes.[311]

These attitudes were endorsed in the US auto industry by large companies, like GM. As argued in Chapter One, for Australian workers, the post-Federation system of arbitration and conciliation set out to reduce industrial

[310] Philip S. Foner, *The History of the Labor Movement in the United States: Volume II: From the Founding of the American Federation of Labor to the Emergence of American Imperialism* (New York: International Publishers, 1955), 24.
[311] Peter Rachleff, 'Capital and Labor in the 21st Century: The End of History?' In *Against Labor: How U.S. Employers Organized to Defeat Union Activism*, Rosemary Feurer and Chad Pearson (eds.) (Chicago: University of Illinois Press, 2017), 236.

disruption. This approach removed the adversarial nature of union-company interactions that were prevalent in the US and, to some extent, the UK. By using an arbitration system, industrial disputes could be reduced, and mutually beneficial outcomes could be negotiated. The arbitration system remains an integral part of the Australian industrial relations landscape today. For Holden's, which had embraced unionism and the closed shop in its factories, the legislative framework was of less importance during the formative years. Rather than taking an adversarial position, such as GM in the US, Holden's worked with its unions to maintain industrial harmony.

Violence and coercion: a tradition in the US, a last resort in the UK, non-existent in Australia

Violence resulting from worker and union activity varied from country to country. While minimal in Australia and Britain, violence during industrial disputes in the US has been long established and, at times, extreme. This section will argue that car companies and unions, particularly in the US, used violence and coercion to differing degrees to achieve their desired outcomes. This highlights further the difference between Holden's and its sister companies in Britain and the US.

Anti-unionism was a feature of the US auto industry from its beginning, reflecting the trend in industry generally. As early as 1874, US employers used violence to break large strikes and quell unionism. During the Pennsylvanian coal miners' strike, between December 1874 and June 1875, a number of murders of strikers were attributed to managers. According to Mary Beard

writing in 1922, the deeds of the managers' 'terrorized the region until the authorities of the state made a number of arrests and convictions'.[312] Two years later, the 'Great Railroad Uprising' in 1877, which resulted in possibly hundreds of deaths, demonstrated, according to legal historian Ahmed White, that the 'history of labor relations in America is a history of conflict and class struggle mediated by violence'.[313] White, writing on industrial terrorism in 2011, goes on to state that almost every major violent outbreak by labour 'revolved around an attempt by workers to assert basic labor rights'.[314] Violence related to industrial relations was not limited to companies and their hired thugs, but also government, through police and militia, and by workers, through militancy. It was Roosevelt's and the New Deal's ideal to remove violence from the workplace. Conrad Black has written that Roosevelt did not like the 'the manipulation of mobs by the labor leaders' or anyone for that matter, and 'considered the occupation of work sites and incitements to violence to be revolutionary and unacceptable'. However, Roosevelt did feel that the reaction of labor had been 'provoked by management exploitation over a long period'.[315]

Where auto makers like Ford used outright violence against unionists, GM used espionage. So large and invasive was GM's effort at surveillance, it had been labelled a 'far-flung industrial Cheka' by the investigating La Follette Committee.[316] Formed in 1936, this committee had been established to

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[312] Mary Beard, *A Short History of the American Labor Movement* (New York: Harcourt, Brace and Howe, 1922), 82.
[313] Ahmed A. White, 'Industrial Terrorism and the Unmaking of the New Deal', *Law Journal* 561 (2011), 562.
[314] White, 'Industrial Terrorism and the Unmaking of the New Deal', 563.
[315] Black, *Roosevelt*, 418.
[316] Irving Bernstein, *Turbulent Years: A History of the American Worker, 1933-1941* (Boston: Houghton Mifflin 1969), 516.

investigate unfair employer tactics, particularly espionage and violence. The findings of the committee, labour historian Gilbert Gall argues, focused public attention on anti-union practices during the preceding decade.[317] GM employed the infamous Pinkerton Agency, America's first national private detective agency,[318] alongside thirteen other spy agencies and, in a perverse espionage practice, spied on its own spies.[319] The union that faced this onslaught was the UAW, which by the mid-1930s had the dubious distinction of being the most spy-infested union in the country. Such was the fear instilled by companies, many members refused to participate openly in union activities. The impact on the UAW was effective, reducing union membership in Flint plants from 26,000 in 1934 to just 122 in 1936. In the very few cases where GM's 'persuasion' was ineffective, the company simply packed up and left. When GM was forced to bargain during a strike at a Chevrolet plant in Toledo in 1935, within six months of the settlement it had moved half its machinery to a non-union town resulting in the loss of about one thousand jobs.[320] The contrast with GM plants in the US and Australia could not be more distinct. While GM's US management was actively attempting to disrupt unions, its new Australian subsidiary was continuing its policy of a closed shop and active union interaction.

To achieve their desired outcomes, the UAW decided to confront GM. Wyndham Mortimer, the oldest and most experienced UAW officer, believed that

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[317] Gilbert J Gall, 'Heber Blankenhorn, the La Follette committee, and the Irony of Industrial Repression', *Labor History* 23 (1982), 246.
[318] S. Paul O'Hara, *Inventing the Pinkertons: or Spies, Sleuths, Mercenaries, and Thugs* (Baltimore: Johns Hopkins University Press, 2016), 152-153.
[319] Robert Michael Smith and Scott Molloy, *From Blackjacks to Briefcases: A History of Commercialized Strikebreaking and Unionbusting in the United States* (Athens: Ohio University Press, 2003), 86.
[320] John Barnard, *American Vanguard: The United Auto Workers During the Reuther Years, 1935-1970* (Detroit: Wayne State University Press, 2004), 54.

for the UAW to make its greatest impact on the auto makers it had to attack what historian Irving Bernstein called 'the citadel of power'. He arrived in Flint, Michigan in early 1936 to facilitate UAW activities and within hours received his first death threat. To achieve the UAW's demands the union decided to aim at GM's Achilles heel: the two plants that produced the body panels for the new 1937 models. By stopping production in these two plants the union would paralyse all output of new GM models. Beginning on 30 December 1936, the sit-down strike, as will be discussed below, was to be the true test of the New Deal labour policy in US auto plants.

While the 1930s was the pinnacle of anti-union violence in the auto industry in the US, the postwar period was one of relative calm. When GM workers went on strike in 1945, mass picket lines were not established by the union as the company did not attempt to bring in strikebreakers. The UAW leadership, though, did display concern over the influx of war veterans and their paramilitary attitude.[321] Wearing uniforms and battle ribbons, the picketing demobilized soldiers and sailors saw the dispute as an extension of the wartime struggle against fascism, brandishing placards with slogans such as 'We Fought the Axis. Now We Fight GM For a Living Wage'.[322] However, the postwar period remained calm until the rise of worker militancy in the late-1960s and 1970s, similar to circumstances in Australia and Britain.

Violence in the US auto industry was not always between union members and employers. By the late 1960s, student radicalism moved from university

[321] The UAW leadership was concerned over a repeat of the actions of demobilized veterans. After World War One veterans became a large force of strikebreakers.
[322] Stephen H. Norwood, *Strikebreaking and Intimidation: Mercenaries and Masculinity in Twentieth-Century America* (Chapel Hill: University of North Carolina Press, 2002), 226.

campuses to factories. We have seen this was the case in South Australia when students from Flinders University took positions at car plants. Similarly, members of the Student Democratic Society (SDS), the Black Panthers and other militant groups, such as the League of Revolutionary Black Workers, joined picket lines, gained employment in the factories of the industrial belts and union headquarters.[323] The actions of these militant groups along picket lines included attacking police, starting fires in factories and halting production. Other non-student groups became vocal at the same time. The Workers Action Movement (WAM), led by William Gilbreth, a self-proclaimed communist, organized a major protest against the Big Three auto makers – Chrysler, Ford and GM – in 1973. Brandishing placards that called for '30 Hours Work for 40 Hours Pay' and 'Bust the Wage Freeze', WAM also demanded rank-and-file control of the UAW.[324] During a WAM sit-down strike UAW members and police evicted the strikers with Gilbreth subsequently being beaten outside the plant and later charged with assault on two security guards.[325] For some time the UAW had proclaimed that it would not protect workers who resorted to violence and intimidation.[326] In an attempt to assuage the potential violence, Reuther, quoted in the *New York Times*, called for calm before violence 'destroys our society', rejecting 'the voices of extremism in America, whether they be white or black'.[327] The action of militants in the auto industry was against the backdrop of the most intensive

[323] Victor Riesel, 'Student Rebels Set to Disrupt Nation's Big Industrial Plants', *Human Events*, 8 March 1969, 10.
[324] Henry P. Zuidema, 'The Chrysler Strike and Detroit Politics', *Human Events*, 6 October 1973, 14.
[325] See 'Chrysler Plant Shut in Assault', *New York Times*, 15 August 1973, 46.
[326] See 'Negro Militants Scored by UAW', *New York Times*, 13 March 1969, 30.
[327] Jerry M. Flint, 'Halt to Violence Urged by Reuther', *New York Times*, 21 April 1970, 27.

cycle of struggle since the Second World War, resistance to the US involvement in Vietnam, and closer inspection of living conditions of the poor and working class.[328]

The reasons for the propensity to violence in the US industrial landscape and not in Australia or the UK varied. Labour historian, Philip Taft, observed in 1966 that collective bargaining was the primary cause for a reduction of violence in industrial disputes.[329] Taft claimed that the US had a greater propensity for industrial violence than any other nation, a claim reiterated in the 1970s by economic historian Howard M. Gitelman.[330] Labour historian Stephen Norwood, writing in 2002, has gone so far as to state that the US was 'the only advanced industrial country where corporations wielded coercive military power' in the early twentieth century.[331] Taft's analysis of large-scale strike violence argues that though violence arose under different circumstances in various industries, one contributing factor was when a serious sense of grievance existed within a negotiating party.[332] Roosevelt's New Deal legislation was a clear attempt at mitigating violence as part of US industrial relations. However, despite these changes, violence remained a tool within employers' anti-union resources.

While coercion and violence were a hallmark of auto unions in the US, in Australia and Britain they were rare until the 1970s. Fraser traced the first severe personal violence in British labour relations history to the shooting of a

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[328] Jordan T. Camp, *Incarcerating the Crisis: Freedom Struggles and the Rise of the Neoliberal State* (Oakland: University of California Press, 2016), 1.
[329] Philip Taft, 'Violence in American Labor Disputes', *Annals of the American Academy of Political and Social Science* 364 (1966), 127.
[330] H. M. Gitelman, 'Perspectives on American Industrial Violence', *Business History Review* 47 (1973), 2.
[331] Norwood, *Strikebreaking and Intimidation*, 3.
[332] Taft, 'Violence', 129.

strike-breaker during a Lanarkshire cotton mill strike in 1837.[333] In this instance, the participants, according to contemporary newspaper reports, were charged with 'illegal combination, assault, fire-raising, and murder'.[334] In courtroom evidence, the union members involved were charged not only with murder, but also with assaulting non-unionists in their homes, and with secrecy. At the conclusion of the trial the men were sentenced to transportation to Australia for four years.[335] For Fraser, the arrest and trial was stage-managed and the proceedings questionable, but had 'effectively served the purpose of branding unionism with the mark of violence and intimidating potential members'.[336] Public reaction was strong, not unlike the reaction to the fate of the Tolpuddle Martyrs in 1834, forcing parliament to establish a committee of investigation.[337] By June 1840, following the intercession of leading parliamentarians, those convicted were released.[338]

While violence was occasionally seen during British labour disputes, particularly in the coalmining industry, it was a rarity within the car industry. Until the late-1960s and 1970s, the car industry saw little strike activity, especially at Vauxhall. From the 1970s, particularly, this changed. In parliament, Labour Member for Rugby, William Price, called the situation in his electorate,

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[333] Previous attacks had occurred against the introduction of technology that displaced workers, led by the Luddites. In April 1812 a raid against a mill in Brighouse in Yorkshire resulted in the death of two attackers by gunfire. A week later a mill owner was murdered, possibly in retaliation. See Ian Hernon, *Riot! Civil Insurrection from Peterloo to the Present Day* (London: Pluto Press, 2006), 10.
[334] Quoted in 'Trial of the Glasgow Cotton-Spinners', *The Observer* (UK), 14 January 1838, 4.
[335] See 'Conclusion of the Trial of the Glasgow Cotton Spinners', *Manchester Guardian*, 17 January 1838, 3.
[336] W. Hamish Fraser, in *A History of British Trade Unionism 1700-1998* (London: Macmillan Press, 1999), 20.
[337] *Parliamentary Debates* (House of Commons), 13 February 138, 1105.
[338] See 'Liberation of the Glasgow Cotton Spinners', *Manchester Guardian*, 20 June 1840, 3.

which had the Chrysler plant at Ryton, 'explosive'.[339] Commenting on the deterioration of industrial harmony at the plant, Price spoke of the increase in violence in picket lines and openly condemned the chairman of Chrysler, Gilbert Hunt, for his lack of tact.[340] At Ford's Dagenham body plant in 1976, the entire night shift 'went on a six-hour rampage of burning and vandalism' after it walked out on strike, reported the *Guardian* newspaper.[341] Vauxhall's reputation as the 'turnip patch', where nothing happened, was apt. During a work to rule action against a proposed pay offer, workers at Vauxhall's Ellesmere Port plant heckled union officials when they declared a vote of acceptance unanimous. The *Guardian* reported that shouting broke out and a penny, thrown from the crowd, hit Norman McDonald, the union organizer and speaker, gashing his temple. Standing on a sports field, workers then threw lumps of grass and earth at union officials. With blood streaming down his face, McDonald, after the meeting broke up in disorder, deplored the conduct of a small minority.[342] While McDonald suffered a minor injury, neither he nor his members encountered the kind of violence prevalent in the US.

Industrial dispute-related violence in the car making industry clearly varied from country to country. The history of violence and anti-unionism in the US auto industry continued in the postwar period despite the strong growth in wages and consumerism. Where violence appeared in Britain it was minor and often more threatening than actual. In Australia, violence in the car industry followed a similar pattern as the US, increasing in the 1970s, though never to the

[339] *Parliamentary Debates* (House of Commons), 25 June 1973, 1137.
[340] See '"Explosive" state of motor industry', *Guardian* (UK), 26 June 1973, 8.
[341] Quoted in 'Walk-out after Ford's night of violence', *Guardian* (UK), 30 September 1976, 1.
[342] See 'Near Riot Ends AEF Strike Meeting', *Guardian* (UK), 24 October 1969, 1.

same extent and it was never company initiated. Striking workers at Ford's Broadmeadows plant in Victoria smashed windows and sprayed water onto those inside the plant in June 1973.[343] In contrast, when Chrysler laid-off 700 workers from its Tonsley Park assembly plant in South Australia in July 1977, reaction was relatively minor. Newspapers at the time reported departing workers rolled a car onto its side, tipped tools onto the factory floor and a flowerpot was thrown through a window of the administrative building. Union officials, while negotiating with members over the company's new pay deal were attacked, with eleven charges of assault being filed.[344] Union and strike related violence in Australia's car industry, though, was atypical and never was a problem at Holden's plants.

There is a clear correlation between the establishment of legislative frameworks and a lack of industrial violence. In the US, violence had been an integral part of labour relations. The introduction of collective bargaining in the US saw an increase in the incidence of violence as companies reacted against the new industrial relations environment. However, legislative changes introduced as part of the New Deal ultimately resulted in a reduction in anti-union violence. In Britain and Australia, industrial relations legislation was an intrinsic part of labour relations and formed a framework for negotiation in the car industry that rarely resulted in violence. Legislation that provided a clear arbitration process meant that outcomes, for workers and employers, could be achieved through negotiation and legal recourse rather than violence.

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[343] See 'Violence at Ford Assembly Plant', *Advertiser* (Adelaide), 14 June 1973, 1; P. Bentley, 'Australian Trade Unionism, 1972-73', *The Journal of Industrial Relations* 15 (1973), 422.
[344] See 'Guards on Watch', *Canberra Times*, 16 July 1977, 1.

When action is demanded: strikes at GM plants in the US, UK and Australia

When negotiation between unions and companies collapse, workers' last resort to achieve their goals is to withdraw their labour and strike. While striking has no predetermined outcome and, often, as has been seen in previous chapters, does not result in the strikers' favour, certain strikes were instrumental in the growth of unionism at GM. This section will argue that the differing strike activity in GM plants in the US and Britain were a product of the acceptance or otherwise of unions.

The defining industrial action for the auto unions in the US was the 1936-1937 sit-down strike at GM by the UAW. For forty days from 30 December 1936 GM workers occupied various plants disrupting GM output after the company rejected a union request to discuss grievances. When strikers ignored an injunction to vacate the plants, GM guards assaulted the plant with the least number of strikers.[345] Other unionists reinforced the plant against armed police and company guards, spraying them with water and throwing tools and car door hinges from windows. Labelled the 'Battle of the Running Bulls', the victory bolstered the strikers, the picket outside the plant, and unionists elsewhere.[346] The strike was resolved only after intervention by the state governor, Frank Murphy, and support for collective bargaining by president Roosevelt.

The violent reaction by the authorities and GM reflected the anti-union policy but failed to halt the strike. GM's use of armed police that accompanied

[345] John Barnard, *Walter Reuther and the Rise of the Auto Workers* (Boston: Little, Brown, 1983), 46.
[346] Sidney Fine, *Sit-Down: The General Motors Strike of 1936-1937* (Detroit: University of Michigan Press, 1969), 1-13.

company guards in an attempt to disrupt the strike resulted in the discharge of firearms and the wounding of fourteen strikers.[347] When violence failed to dislodge the strikers, Murphy brokered a truce to renew negotiations. However, when it was discovered by the UAW that GM had already met with the Flint Alliance, a company union, the deadlock resumed.[348]

The UAW's confidence in achieving their desired outcome of collective bargaining was demonstrated in their organization. Strikers were arranged into committees to handle day-to-day needs, such as food, entertainment and sanitation. Each striker was allocated a specific role for two three-hour shifts. During evenings live music was played and broadcast over loudspeakers throughout the plant and outside to their supporters.[349] One piece of music was the rousing song called 'Sit Down', written for the strike by a UAW leader, which called for workers to unite together.

> When they tie the can to a union man,
> Sit down! Sit down!
> When they give him the sack, they'll take him back.
> Sit down! Sit down!
>
> Chorus: Sit down, just take a seat,
> Sit down, and rest your feet,
> Sit down, you've got 'em beat.
> Sit down! Sit down!
> (Repeat after each verse)
>
> When they smile and say, "No raise in pay",
> Sit down! Sit down!
> When you want the boss to come across,
> Sit down! Sit down!
>
> When the speed-up comes, just twiddle your thumbs.

[347] Bernstein, *Turbulent Years*, 530.
[348] Sidney Fine, 'The General Motors Sit-Down Strike: A Re-examination', *American Historical Review*, 70 (1965), 693.
[349] Robert Shogan, 'Labor Strikes Back', *American History*, 41 (2005), 36.

Sit down! Sit down!
When you want them to know they'd better go slow,
Sit down! Sit down!

When the boss won't talk, don't take a walk.
Sit down! Sit down!
When the boss sees that, he'll want a little chat.
Sit down! Sit down![350]

The strike was concluded when the UAW's right to collective bargaining was accepted by GM. Through the work of Murphy, with influence from Roosevelt, an agreement between the union and GM management was made on 11 February. For GM executives like Sloan, the strike was an illegal seizure of company property, and an indication that the government, and in particular Roosevelt, supported the union and pressured him into negotiations.[351] For the UAW, the employment contract was a watershed victory that made the union the de facto negotiator for GM workers. The success of the strike resulted in an inflow of thousands of auto workers into the UAW[352] and, according to Millie Biek, 'paved the way for the UAW to launch successful organizing campaigns at Chrysler in 1937, and at Ford in 1941'.[353] William Weinstone, Secretary of the Michigan Communist Party, wrote at the time that the strikers had 'cleared the way to planting a flag of unionism over the giant factories of this country. History will record with pride that the auto workers, and above all the workers of Flint, struck the blow which shattered the shackles of open shop tyranny'.[354] For

[350] Timothy P. Lynch, 'Songs of the "Sit-Down Strike', *Michigan Historical Review*, 22 (1996), 3.
[351] Sloan, *My Years with General Motors*, 393.
[352] Kenneth B. West, '"On the Line": Rank and File Reminiscences of Working Conditions and the General Motors Sit-down Strike of 1936-37', *Michigan Historical Review* 12 (1986), 59.
[353] Millie Allen Beik, *Labor Relations* (Westport: Greenwood Press, 2005), 173.
[354] William Weinstone, 'G.M. Open Shop Heart has been Pierced', *How the Auto Workers Won*, Daily Worker, no publication information or date, 4.

Sidney Fine, whose *Sit-Down* (1969) is the definitive account of the strike, the events were the 'most significant labor conflict in the twentieth century'.[355] The UAW had achieved a result almost unheard of a decade before, forcing GM to negotiate with unions and allow collective bargaining.

The UAW's victory in the sit-down strike only came through violent confrontation. The necessity to resort to violence, using the same methods as the companies, was the only option for the UAW. To force collective bargaining and freedom of association the UAW needed to break GM's fear tactics and company union dominance. This was in stark contrast to even the most severe events at Holden's and Vauxhall when negotiations broke down. At Holden's, neither the 1944 time study nor the 1964 wage claim strikes featured violence from either the union or the company to resolve the disputes. At Vauxhall, the 1945 strike over bonuses was resolved through negotiation. By the 1970s, as will be seen below, the differences between the three countries had largely disappeared.

[355] Fine, *Sit-Down*, 341.

Figure 5.4. Auto workers lean out of the windows of a GM plant closed by the Sit-down strike 1936-1937. Source: Walter P. Reuther Library.

The UAW victory resulted in the implementation of collective bargaining that evolved into a unique method in the US auto industry. The official strike became what economist D. Garel Rhys has described as part of the 'contract bargaining ritual'. While the new contract was under negotiation a number of strikes occurred, particularly with one of the Big Three auto companies. The selected company, according to Rhys, had time to 'increase pre-strike production and fill the showrooms with its cars and during the strike the annual face-lift occurs. Hence disruption is kept to a minimum'.[356] The completed contract would then create a benchmark for the other auto companies to emulate. When the next round of negotiations between the union and the companies began, a different company was selected, thus creating a rotating system of strike-based

[356] D. G. Rhys, 'Employment, Efficiency and Labour Relations in the British Motor Industry', *Industrial Relations Journal* 5 (1974), 7.

negotiation, this system became known as pattern bargaining.[357] For the UAW this method produced the best results.[358] Pattern bargaining, though, was not used in either the Australian or British car industries. Rather, the use of arbitration that had been legislated formed the framework of wage and conditions negotiations.

The generally strike-free postwar period in the US auto industry was shattered in the 1970s. Throughout GM plants worldwide workers' militancy increased substantially, leading to non-union authorised industrial action. In March 1972 workers went on strike at the GM assembly plant at Lordstown, Ohio over work methods. The *New York Times* described the dispute as a 'widespread rank-and-file rebellion against dehumanizing effects of automation'.[359] Emma Rothchild, writing about the auto industry at the time, commented that 'even business opinion came close to criticizing GM for a lack of humanity in its plant management'.[360] Simultaneously a strike at GM's Norwood plant in Ohio occurred over similar issues, though was led by older rather than younger workers.[361] The strike, when it finally concluded, lasted 172 days, the longest to date at GM, and cost the company over $100 million in lost production.[362] According to the US Bureau of Statistics, work stoppages across the country had remained steady during the postwar period, hovering around

[357] 'Pattern bargaining', *Dictionary of Human Resource Management* (Oxford: Oxford University Press, 2008), 256.
[358] William H. McPherson, 'Cooperation among Auto managements in Collective Bargaining', *Labor Law Journal*, 11 (1960), 606.
[359] Quoted in 'Revolt of the Robots', *New York Times*, 7 March 1972, 38.
[360] Emma Rothchild, *Paradise Lost: The Decline of the Auto-Industrial Age* (New York: Random House, 1973), 17.
[361] Aaron Brenner, Benjamin Day and Immanuel Ness (eds.), *The Encyclopedia of Strikes in American History* (New York: Routledge, 2009), 395.
[362] See 'Tentative Accord is Reached in Longest General Motors Strike', *New York Times*, 26 September 1972, 20.

the mid-3,000 per annum. From 1968 onward this figure jumped to between 5,000 and 6,000 per annum.[363] Not only had stoppages increased, but so too had their duration, lengthening from an average of seven to fifteen days in 1959 to between seven and sixty days in 1976.[364]

The increase in rank and file unrest resulted in new tactics by the UAW. Labelled 'Operation Apache', the new method involved short-lived strikes that targeted key component manufacturing plants, causing maximum disruption.[365] GM countered this move by locating new plants in the southern, more anti-union, states, hoping that the UAW would not follow. As GM did this, the union attempted to gain employment opportunities in the new plants for workers who had been laid off in the north. However, traditional anti-union actions occurred, even though they were not officially endorsed by GM. According to Barnard, some southern plant managers, with the aid of community representatives, circulated among African-American employees a fake Ku Klux Klan membership card with the forged signature of a UAW official.[366] Despite these actions, the UAW extended contracts to the southern plants, thus losing its appeal to the auto companies.[367] In response, the auto corporations increased their strategy of shifting production outside the US and, by the 1980s, with the anti-union attacks of the Reagan administration, the unions' bargaining powers had weakened.[368]

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[363] *Handbook of Labor Statistics 1978* (Washington: U.S. Department of Labor, Bureau of Labor Statistics 1979), 509.
[364] *Handbook of Labor Statistics 1978* (Washington: U.S. Department of Labor, Bureau of Labor Statistics 1979), 512-513.
[365] Beverly J. Silver, *Forces of Labor: Workers' Movements and Globalization Since 1870* (New York: Cambridge University Press, 2003), 48.
[366] Barnard, *American Vanguard*, 483.
[367] James M. Rubenstein, *The Changing U.S. Auto Industry: A Geographical Analysis* (New York: Routledge, 1992), 240.
[368] Silver, *Forces of Labor*, 49.

The history of strike activity in GM's factories in Britain differed greatly from that in the US. Rather than a postwar economic boom as occurred in the US and Australia, Britain endured wartime austerity measures in an effort to address the country's economic woes.[369] However, once the boom began, in 1951, industrial disputes in the car industry increased. From a low of 16 strikes in both 1953 and 1954, industrial stoppages jumped to 109 in 1962, 272 in 1969 and 297 in 1973.[370] For H. A. Turner, Garfield Clack and Geoffrey Roberts, writing in 1967, workers in the car industry 'had become at least as dispute-liable as such traditionally strike-prone groups as miners, shipbuilders and dockers'.[371] This increase in strike activity prompted the Minister for Labour, John Hare, to isolate the car industry in 1961 for specific industrial relations reform.

For the first two decades after the Second World War, however, GM's Vauxhall proved the exception to the strike-prone nature of the car industry.[372] The reason for this industrial relations stability was, according to Turner, Clack and Roberts, a 'general sophistication in its treatment of labour problems, and an attitude of going out to meet and anticipate new developments in the labour field, rather than resisting them until it was forced to accept'.[373] To achieve this goal, Vauxhall adopted the GM policy of union containment and differentiating

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[369] Jim Tomlinson, 'The Attlee Government and the Balance of Payments, 1945-1951', *Twentieth Century British History* 2 (1991), 48.
[370] J. W. Durcan, W. E. J. McCarthy and G. P. Redman, *Strikes in Post-war Britain: A study of stoppages of work due to industrial disputes, 1946-73* (London: George Allen & Unwin, 1983), 320.
[371] Turner, H. A., Garfield Clack and Geoffrey Roberts. *Labour Relations in the Motor Industry* (London: George Allen & Unwin, 1967), 24.
[372] Dave Lyddon, 'The Car Industry, 1945-79: Shop Stewards and Workplace Unionism'. In Wrigley, C J (ed). *A History of British Industrial Relations*, Vol III, 1939-1979 (Cheltenham: Edward Elgar, 1996), 196.
[373] Turner, Clack and Roberts, *Labour Relations in the Motor Industry*, 347-348.

relations between labour and employees,[374] and adopting progressive personnel administration.[375] Like Holden's, Vauxhall used an engagement, rather than confrontational, policy when dealing with unions.

Unlike other car makers, Vauxhall negotiated local rather than national union agreements. Under the management of Charles Bartlett, two unions, the Amalgamated Engineering Union (AEU) and National Union of Vehicle Builders (NUVB), were given sole negotiating rights. Vauxhall management could thus have greater control over its workforce and its representatives, similar to Holden's. In contrast to Vauxhall, Ford recognized 11 unions in 1946, and 22 by 1958 which, according to Dave Lyddon, resulted in more difficult negotiations.[376] Through proactivity, Vauxhall was able to avoid industrial disputes, such as during redundancies in 1951, when it offered workers a week's notice or a week's pay and provided notice in advance. Vauxhall's effective decision to work with a limited number of unions was similar to that at Holden's.

Like Holden's, Vauxhall management introduced innovative company-union practices. The key to industrial harmony at Vauxhall was the Management Advisory Committee (MAC). Labelled by Graham Turner as the 'key weapon in the Vauxhall armoury',[377] the MAC, formed in 1941, was a very early form of industrial democracy. The committee met periodically to discuss work force matters, such as worker facilities, and consisted of six managers and 22 employee representatives who were elected for a three-year term. Given full

[374] F. Harbison and R. Dubin, *Patterns of Union-Management Relations* (Chicago: Chicago University Press, 1947), 46.
[375] Howell Harris, *The Right to Manage: Industrial Relations Policies of American Business in the 1940s* (Madison: University of Wisconsin Press, 1982), 29.
[376] Lyddon, 'The Car Industry', 196.
[377] Turner, *Carmakers*, 129.

access to the plant, representatives were often freed from production responsibilities and liaised with welfare officers and supervisors. In an oral history interview, Eric Bates, a Vauxhall employee, recalled that the MAC 'could smooth out and help people. When management had a problem they wanted to get over to the work force, they'd have this committee to get it over to the shop floor'. For Bates, the MAC 'was the best piece of labour relations anyone could possibly have'.[378] Others were not as agreeable, with one shop steward claiming the committee was a 'sort of mobile fifth column'.[379] The system remained in place until the early 1960s when the expansion of the company to three sites made it difficult to co-ordinate.

Other progressive industrial relations programs, similar to those at Holden's, were introduced at Vauxhall under Bartlett. The Group Bonus System, in which workers obtained bonuses as a collective rather than individually, promoted teamwork and attendance, reducing absenteeism, which had been a problem, while increasing output and reducing supervision.[380] The system, though, was abandoned in 1956 as it encountered difficulties in formulating standards and the company adopted the fixed hourly rate of measured day work.[381] The Profit Sharing Scheme was established to increase worker loyalty to the company. For example, in 1954 Vauxhall employees received on average £50 each[382] and, in 1966, the company paid out a record £1.156 million to its

[378] Len Holden, '"Think of Me Simply as the Skipper": Industrial Relations at Vauxhalls', *Oral History*, 9 (1981), 27.
[379] Turner, *Carmakers*, 119.
[380] David Marsden, Timothy Morris, Paul Willman and Stephen Wood, *The Car Industry: Labour Relations and Industrial Adjustment* (London: Tavistock, 1985), 141.
[381] Reginald Pearson, 'From Group Bonus to Straight Time Pay', *Journal of Industrial Economics* 8 (1960), 116.
[382] D. W. Dodwell, 'Progress with Profit Sharing', *Contemporary Review*, 87 (1955), 324.

employees.[383] The suggestions box, a concept used in GM plants worldwide, offered monetary rewards for ideas to improve savings, output and conditions. Vetted by a suggestions committee of eight, seven of whom were workers' representatives, those who came up with successful ideas were paid up to £350 each.[384]

Slower than desired economic growth resulted in British government intervention in the motor industry. In 1961 the National Economic Development Council (NEDC) was formed to provide government with expertise on industry requirements and provide plans for economic growth.[385] *The National Plan*, expanding the NEDC's role, increased government intervention and included new government bodies, such as the Ministry of Technology, but failed to address the underlying macroeconomic problems. For the car industry, according to historian Peter Dunnett, 'the government's interventionist spirit of the sixties made things, if anything, more difficult than earlier stop-go *laissez faire*'.[386] By 1969 the government policies had reached their desired results of reducing demand, but placed increased pressure on industrial relations, particularly in the car industry, and resulted in increased strike activity. Barbara Castle, the Secretary of State for Employment and Productivity, tabled the White Paper, *In Place of Strife*, that outlined the weaknesses with the industrial relations system and the need for reform. This reform agenda was mirrored in the report of the Royal Commission on Trade Unions and Employers'

[383] See 'Record pay-out in profit sharing', *Guardian* (UK), 16 March 1966, 21.
[384] *Parliamentary Debates* (House of Commons), 5 April 1950, 709.
[385] Astrid Ringe, 'The National Economic Development Council 1962-67', *Contemporary British History* 12 (1998), 101.
[386] Peter J. S. Dunnett, *The Decline of the British Motor Industry* (London: Croom Helm, 1980), 89.

Associations in 1968.[387] By the end of the 1960s it became apparent that the government intended to intervene in the car industry in an attempt to reduce industrial disputes and improve efficiencies.

As was the case in Australia and the US, rising industrial disturbances, particularly from rank and file militancy, increased pressure on British union leadership and triggered government action. Jack Scamp, the chairman of the Motor Industry Joint Labour Council, said that some car factories were close to a state of anarchy due to minority groups.[388] At this time Vauxhall began to reflect the rest of the car industry. Strikes at all three of its plants became commonplace. The government, meantime, attempted to end unofficial strikes through its *Industrial Relations Bill 1971*. The legislation, designed to introduce contracts and ban closed shops, offered unions certain legal privileges in return for registration. Seeing the *Industrial Relations Bill* as an outright assault on their hard-earned efforts, the trade unions refused. Rather than creating a more harmonious industrial relations landscape, the government's new Act resulted in what Dunnett called 'the worst year for labour relations since the General Strike [of 1926]'.[389] As was the case in the US, the conservative British government intended to alter industrial relations legislation to reduce union power.

GM's Vauxhall plants, while generally calm, were not free of industrial action. In 1960 the news magazine, the *Economist* called Vauxhall 'The Firm Without a Strike', but this epitaph was overlooking previous union disturbances. The first major industrial action was in 1945 over bonus prices for finished

[387] Chris Howell, *Trade Unions and the State: The Construction of Industrial Relations Institutions in Britain, 1890-2000* (Princeton: Princeton University Press, 2005), 88.
[388] Fraser, *A History of British Trade Unionism*, 214.
[389] Dunnett, *The Decline*, 140.

vehicles. For Harold Horne, who was Chairman of the Vauxhall Shop Stewards Committee at the time, the strike was a turning point in relations between management and workers. Bartlett addressed a stop-work meeting, but failed to convince them to return to work with a settlement negotiated soon after.[390] Vauxhall executives, wryly, did not call industrial disputes strikes at this time but, rather, 'pauses for consultation'.[391] Industrial strife at Vauxhall, however, remained minimal in comparison with other British car makers until the 1970s. By the end of 1973, for example, Vauxhall had experienced 106 unofficial strikes during the year at its Ellesmere Port component plant alone.[392] The car industry, generally, contributed 22 per cent of all strikes in Britain at the time.[393] In Australia, at the same time, the industry had 218 disputes losing 310,000 working days, representing 12 per cent of the nation's total.[394] The increase in strike activity throughout British industry was labelled the 'British disease' and reflected worker militancy, poor industrial relations and a decline in output of motor vehicles.[395]

The strikes in Britain also highlighted the interdependence of component manufacturers and assemblers in the car industry and the impact that just a few could make on an entire company's operations. When 200 delivery drivers walked out at Vauxhall's Luton assembly plant in December 1965 over schedules

[390] Holden, '"Think of Me Simply"', 30.
[391] Kynaston, *Austerity Britain,* 490.
[392] See 'Strikes close Vauxhall', *The Observer* (UK), 21 October 1973, 1.
[393] Durcan, McCarthy and Redman, *Strikes in Post-War Britain*, 155.
[394] J.G. Miller, *Official Year Book of Australia* (Canberra: Australian Bureau of Statistics, 1974), 288.
[395] Stephen Broadberry, 'The Performance of Manufacturing'. In *The Cambridge Economic History of Modern Britain. Volume II: Structural Change and Growth, 1939-2000*, Roderick Floud and Paul Jonson (ed.) (Cambridge: Cambridge University Press, 2004). 67.

and pay, their actions threatened to halt all production.[396] The impact of the unofficial strike of ten copper platers at Vauxhall's Ellesmere Port plant in March 1969 resulted in the standstill of the assembly plant and 7,500 workers being laid off.[397] Similarly, when 112 batch viewers (inspectors) struck over re-classification and improved wages in April 1970, the entire Ellesmere Port plant was shut down.[398] The 12-day stoppage cost the company £5 million in lost production.[399] With ongoing strike activity and recessionary pressures, Vauxhall began retrenching workers from the early 1970s. At Holden's the strike of a handful of AEU and VBEF members in May 1971 brought the Elizabeth assembly line to a stand-still demonstrating the complexity of the production system and its sensitivity to even minor disruptions.

Vauxhall presents a unique example of union-company interaction that was anomalous in the British car industry. Under the management of Bartlett, the company drew on certain GM precedents to improve industrial relations. While the isolation of Vauxhall's plant contributed to its peaceful operations, by the 1970s the company had joined the other British car makers in experiencing extensive industrial unrest, costing workers and the company millions of pounds in lost wages and revenue.

While GM plants internationally had a common parent company, the operations in each country differed significantly. Before the 1970s the similarities between the three countries were minimal. The GM companies in the UK and Australia, the two with the closest cultural heritage, were more closely

[396] See 'Vauxhall's faced with trouble', *Guardian* (UK), 14 December 1965, 18.
[397] See 'Ten strikers halt Vauxhall production', *Guardian* (UK), 5 March 1969, 5.
[398] See 'Uneasy peace at Vauxhall plant', *Guardian* (UK), 6 April 1970, 5.
[399] See 'Car strikers told: "Return or leave"', *Guardian* (UK), 21 March 1970, 20.

aligned in their approach to industrial relations. Both Holden's managing director, Hartnett, and Vauxhall's Bartlett, believed in worker compliance through better wages and conditions. Both companies instigated bonus schemes to reduce absenteeism and increase productivity. Unions were seen to be an implicit aspect of the industrial relations environment and, therefore, were required to be included in all aspects of worker life. Holden's early use of the closed shop, very much against the practice in other similar-sized companies in Australia and actively opposed in the US, was adopted by Vauxhall for the same reason: limiting the number of unions that needed to be negotiated with, thus reducing costs. This approach was never emulated in the US where GM continued to attempt to reduce union activity and membership. The different approaches to unionism by GM and its subsidiaries reflected local legislation and industrial relations norms set before acquisition, such as Holden's closed shop. Ultimately, though, the long postwar boom proved to be as important to industrial harmony through high demand for the goods made, and for the workers required to make them. Only when the boom ended and was replaced with economic contraction and rising inflation, did workers throughout GM plants internationally act similarly.

Conclusion

Like other US motor car makers, GM commenced operations as a manufacturer of horse-drawn carriages. Formed by William 'Billy' Durrant in 1908, GM expanded rapidly through the purchase of other companies that became integral brands for the company, such as Oldsmobile and Cadillac. Durrant introduced

innovative production techniques and employed talented staff, such as Alfred P. Sloan Jr. Sloan, a dynamic and resourceful manager, introduced improved corporate governance and oversaw expansion into overseas markets through acquisition of existing car makers. Management of its overseas operations was left in the hands of local GM men who approached industrial relations and unions in an individual manner appropriate to circumstances, including the local industrial relations landscape.

This chapter has answered the question of how industrial relations differed between the industrial relations regimes in two of the countries in which GM operated and with what impact. These differences, the US being open-shop and anti-union, and Britain, being accepting of unions, narrowed during the later period under review. The militancy of unions grew substantially during the late 1960s and 1970s as the postwar boom period waned and employment and wage pressures rose. This change occurred globally and was reflected in union actions in Australia, Britain and the US.

As part of GM's global corporation, Holden's drew on the parent company's management ideology and practices, except when dealing with unions. Where GM in the US remained determined to reduce union influence, Holden's did not. Both Vauxhall and Holden's worked with unions as they had done before being purchased by GM. The parent company's non-interventionist approach meant that local circumstances could be assessed in order to provide the best outcome for the company. This was different from the Ford approach of transplantation of Fordist management concepts to any plant, regardless of location. For the GM workforce, generally, this meant better conditions and wages. This is not to say that the car making plants in Australia and Britain

operated in total autonomy. Rather, the companies drew on GM corporate management experience and knowledge to find the best solutions for local idiosyncrasies. Managing directors, such as Bartlett and Hartnett, while both Englishmen, were GM men first and foremost. But they realised that to garner the greatest profitability they needed to be selective in the implementation of GM management practices. This approach, which strongly engaged with the needs of workers and their union representatives, resulted in less industrial unrest overall and higher productivity.

Conclusion

'The end of Holden making cars in Australia is a very sad day for the workers and every Australian. It's the end of an era'.[1] – Prime Minister Malcolm Turnbull.

In October 2017 General Motors-Holden ceased manufacturing motor vehicles in Australia. The closure of its last operating plant at Elizabeth in South Australia heralded the demise of Australia's mass-produced motor car manufacturing industry. The remainder of the Australian car industry, Ford and Toyota, had closed earlier in the year, while Mitsubishi ended its Australian production in 2008. The reasons for Holden's closure include tariff reduction, the impact of the Button plan, high wages, exchange rates, consumer preferences, model choices and, finally, the cessation of government subsidies. Regardless, the decision caused division among Australian automotive commentators, unionists, politicians and the general population.

The closure saw not only the end of the local car industry, but also a long-standing relationship between the company and industry trade unions. This close relationship commenced soon after Holden's began production of motor bodies in 1917. The agreement between the company and the Coachmakers Employees' Federation was to ensure 'no industrial unrest or trouble on the part of their members' was to occur in return for preferential employment for union

[1] 'Australian car manufacturing ends as GM Holden closes plant', Reuters.com, 20 October 2017. https://www.reuters.com/article/us-holden-australia-manufacturing/australian-car-manufacturing-ends-as-gm-holden-closes-plant-idUSKBN1CP0JB. Accessed 7 February 2018.

members.[2] This agreement was the first of many that were to be negotiated between the unions and Holden's, and was the basis for the 1936 agreement that ensured a fully closed shop and compulsory union membership. With the recovery of the economy after the Depression consumer demand for motor cars grew, leading to an expansion of Holden's production facilities and its workforce. What resulted was one of the most successful businesses in Australian history that, at one stage, was the most profitable in the country and the country's largest employer.

Holden's became synonymous with postwar consumer durables in Australia and a truly iconic brand that bred a rivalry with the public between the other major locally produced car, Ford.[3] Allegiance for Holden or Ford created a binary of loyalty that peaked during the annual endurance motor race at Bathurst, New South Wales.[4] At Bathurst the rivals could prove dominance that equated to vehicle sales the following week: initially the cars raced were little different to those sold by dealers. The rivalry was forged following Ford's introduction of its locally-produced Falcon in the 1960s. Both cars were Australian-made, despite being owned by US parent companies, and dominated new car sales. Purchasing choices resulted in generational familial brand allegiance and, in many cases, hostility to those not in 'our camp'.[5] Holden's role

[2] Agreement between Holden & Frost Motor Car Body Builders and S. A. Branch of the Australian Coachmakers Employees' Federation, 21 January 1918, UM 101/37/V31.
[3] See P. King and R. Wilson, 'Australian idols face the music', *Australian*, 25 October 2006, 18. This rivalry is particularly evident in motorsport.
[4] Michael T. Ewing, Peter E. Wagstaff and Irene H. Powell, 'Brand rivalry and community conflict', *Journal of Business Research* 66 (2013), 6.
[5] How this rivalry continues now that the product is no longer made locally will be an interesting process and could build on research conducted by Michael Ewing, Peter Wagstaff and Irene Powell from Monash University.

in Australia was more than just a producer of cars – it became (for some) culturally significant.

The end of manufacturing of Holden's in Australia thus stood for more than just the cessation of car production. It was the end of a century-long history of automotive manufacturing history in South Australia and the development of complex manufacturing processes in secondary industry. Many companies that enjoyed the postwar boom encountered similar outcomes to Holden's. Pope's amalgamated with Simpson and Son in 1963 to form Simpson-Pope to produce washing machines and refrigerators. Like Metters, Simpson-Pope was taken over by Email with subsequent manufacturing moving off-shore. Hill's Industries diversified from clothes lines and television antennas to healthcare and alarms before divesting all production in 2013. On sites that previously employed thousands of workers producing goods, Bunnings Warehouses now exist. When Holden's closed, it was also the end of an era of labour history in Australia, both for unions and workers. The death of the car industry in Australia was a drawn-out process that some could argue began in the heyday of production or amidst the tumultuous militancy of the 1970s. The reasons will be debated into the future and, in due course, will lose the rawness of the events that are currently so fresh. What is important, though, is that Holden's changed the Australian manufacturing, corporate and labour relations landscape and, just as importantly, the lives of thousands of workers in a way that is unlikely to be repeated.

The goal of this thesis has been to investigate and demonstrate the interaction between Holden's and its major trade unions in South Australia. We have seen that the company formed a mutually beneficial relationship with its

unions, especially the VBEF. They worked together to achieve their desired outcomes. For Holden's this was uninterrupted output and, for the VBEF, control of the workforce. We have seen the development of the major trade unions at Holden's between 1930 and 1980 and their impact on the company and themselves. Holden's use of innovative business practices and seizing opportunities has given us an insight into the company's early success, first as a leathergoods manufacturer and later as a motor body builder. Central to this success was the harmonious relations between the company and its main union, the VBEF. Rather than adopt an adversarial approach to unionised labour, like many other large manufacturers at the time, Holden's engaged with their unions. A closed shop was adopted, and wage agreements developed. As Holden's grew, so too did the unions associated with the company. The VBEF, always the major union at Holden's plants, differed from some of its fellow unions in that it was more conservative. Rather than adopting a militant stance, the VBEF was open to settlement of disputes through negotiation. Three case studies have demonstrated the different reasons for industrial action. Outcomes were influenced by internal and external factors and the strength of motivation by the parties involved. The uniqueness of Holden's approach to its unions was compared with GM operations in two other countries: the US and the UK. This investigation uncovered differing approaches to unions and unionised labour. Whereas the UK, similar to Australia, adopted legislative frameworks for industrial relations, the US did not until it was forced to do so during the Depression. The use of violence and coercion was typical of union-company interactions in the US but, in GM plants in Australia and the UK, violence was rare.

At the outset of this thesis I introduced the historical context of Holden's to form an understanding of the company prior to the merger with GM in 1930. Chapter One showed the beginnings of Holden's as a leathergoods manufacturer and its initial foray into motor body building that developed into full-scale production in 1917. I have argued that Holden's became a prominent manufacturer through innovative business practices, and identifying and seizing opportunities. Holden's recognised the potential of the motor car and developed standardised processes to increase production output and profitability. To ensure uninterrupted production, the company engaged with its main trade union, the VBEF, for mutual advantage. A closed shop benefited the union while a single main union simplified negotiations for Holden's.

The growth of secondary industry in South Australia became an increasing focus for government. Development of this sector of the state's economy lagged behind that of other states. The Secondary Industries Commission, created following the 1926 Royal Commission, was the initial step to improve the role of manufacturing in the state. This was endorsed and promoted through the work of the Premier, Sir Thomas Playford, and his auditor general, J.W. Wainwright. Vital to this development was Holden's, which experienced impressive growth in sales and profits during the postwar period and became the cornerstone of industrial expansion in South Australia.

Trade unions played an important part in the development of Holden's. Through the engagement of unions, especially the VBEF, and the development of a mutual understanding, Holden's could reduce production disruptions and the unions could deliver improved wages and conditions for their members. Using the legislative framework, the unions negotiated wages above federal

government award stipulations. Bonuses and the use of corporate welfarism induced compliance within the workforce and attracted new labour. The Second World War altered employment conditions for many workers, particularly women. With labour shortages women were employed in many previously male-dominated positions. Despite opposition from unions, mainly after the end of the war and the return of many male workers, women continued to be employed in many of those roles and increased their involvement in union activities.

The strike is the most powerful action that workers have to exert pressure on employers to attain demands. In Chapter Four we explored three case studies of strike action at Holden's. These case studies showed that the outcome of strikes were not always as the unions, or the company, predicted and that every strike was unique in its own way. External and internal factors, it was found, impacted on the likelihood of a strike. Holden's handling of each strike and union reaction differed from negotiation to opposition and were dependent on the severity of the grievance, strength of conviction and the willingness to reach a conclusion. What became apparent was that by the time of the late 1960s and early 1970s union members were no longer happy to accept the conservative union leadership of the VBEF and became more militant. Overall, though, strikes at Holden's were always a last resort and, during the period under review, were rare, reflecting the mutually beneficial working relationship that Holden's and its main unions developed.

Industrial relations at GM plants around the world differed according to the relative acceptance (or otherwise) of unionism. Following the historical precedent of anti-unionism in major US manufacturers, GM actively dissuaded unions and collective bargaining. The belief by senior managers, such as Sloan,

was that the company could satisfy workers' needs through corporate welfarism, rather than unionism. While Holden's and Vauxhall drew on the parent company's management practices, neither adopted the methods of violence and coercion used by GM in the US. The active engagement of unions at Holden's and Vauxhall ensured compliance amongst union members and reduced industrial strife. Hartnett and Bartlett, managing directors of Holden's and Vauxhall respectively, realised that to garner the greatest profitability they needed to be selective in the implementation of GM management practices. Their engagement with worker demands, led to more industrial harmony and greater productivity. Industrial harmony was tested, as seen in the third case study in Chapter Four, by the rise of rank and file militancy during the 1970s. This international phenomenon questioned the role of union leadership, especially that of the conservative car unions. However, as this thesis has shown, there were similarities between Australia and Britain in their engagement with trade unions at car plants.

Throughout this thesis I have shown how Holden's and its unions interacted and how the two parties worked together for their mutual benefit. I have explored the growth of Holden's and the unions involved with the company and the central role of the VBEF. I have also argued that Holden's played a pivotal role in the development of secondary industry in South Australia. What I have argued throughout this thesis is that Holden's, displaying progressive management, engaged with its unions to form a relationship that benefited both the company and the union's members. Although tested at times and not necessarily apparent to all workers, the pact proved beneficial for the unions, its members and Holden's.

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